

EUROPEAN NEWS

W Germans told pension system could collapse

BY DAVID GOODHART IN BONN

THE WORKING life of West Germans may have to be lengthened, not shortened, if the social security and pension system is to avoid collapse, according to the employers organisation Bundesverband der Deutschen Industrie (BDI).

Italian pay deal may be rejected by teachers

By John Wyles in Rome

HOPES THAT virtually all disruptive action in the Italian school system would be brought to an end this week are looking distinctly shaky in the face of strong moves among many rank and file teachers to reject last week's preliminary pay deal.

FT Correspondents assess the state of the parties after the first round of French voting

French voters prove pundits wrong again

BY IAN DAVIDSON IN PARIS

IT LOOKS AS IF 1988 is turning out to be a vintage year in the annals of French elections, at least for the number of surprises inflicted by the electorate on the experts and, above all, on the politicians. The constant flood of public opinion polls gave the impression that the future was predictable and again the voters have perversely bucked the expected trend.

Third, opinion poll predictions of socialist landslide and the many Socialist voters to leave the task to others. Finally, President Francois Mitterrand and Prime Minister Michel Rocard were so insistent on the need to avoid an overwhelming Socialist majority, but rather to build an opening to the centre, that many Socialist voters were discouraged.

Waldheim hails verdict of British television 'trial'

PRESIDENT Kurt Waldheim of Austria said that the ruling of a mock television trial that he was unlikely to have committed Nazi atrocities proved he was the victim of a slander campaign, Reuter reports from Vienna.

Norwegian minister hints at EC entry 'in long run'

Brussels to refuse, EC officials conceded, for it is the only outsider which has negotiated accession. Austria is considering an application to the EC.

All change on far right and left

BY PAUL BETTS IN PARIS

THE FORTUNES of the French Communist Party (PCF) and of the National Front, the two parties at the opposite extremes of the French political spectrum, were completely reversed in the first round of the French general election on Sunday.

Strong vote puts spotlight on centrists

BY GEORGE GRAHAM IN PARIS

AFTER the re-election of President Francois Mitterrand, France's centrists came into prominence as the Socialists tried to woo them into the Government, with only small success.



Marchais: Surprise revival of Communist Party's fortunes

Marchais' surprise revival of Communist Party's fortunes from the scene. Indeed, Mr Le Pen's voters will undoubtedly play a major role in either boosting or undermining the chances of the traditional right next Sunday.

In contrast to the expected decline of the National Front on Sunday, the Communist party score came as a surprise. None of the main political opinion polls had forecast such a recovery in the fortunes of the Communists, who seemed to have benefited from the combined effects of the Socialist party's move towards the centre and a moderate revival in trade union militancy.

Ozal support slips as austerity bites and Turkish strikes spread

BY JIM BODGENER IN ANKARA

AUSTERITY measures at last appear to be curbing inflation in Turkey, which halved in wholesale price terms to 2.1 per cent in May compared to April, according to the State Institute of Statistics.

An era of structural change beckons pulp and paper makers

BY CHRISTOPHER PARKES, CONSUMER INDUSTRIES EDITOR

EUROPEAN pulp and paper manufacturers still have some way to go before they can match the sheer size of their US and Japanese competitors. They are also lagging behind in the process of restructuring being undertaken in Sweden and Finland, according to Dr Hartwig Geymair, chairman of the West German group Feldmühle.

FT CONFERENCE

Pulp and Paper Industry has increased by 6 per cent while overseas sales of paper and board had risen 30 per cent.

Yugoslavia gets approval from World Bank

BY DAVID BUCHAN IN BRUSSELS

THE Norwegian parliamentary debate today on the country's relations with the European Community will probably accelerate an eventual application by Oslo for membership, Mr Thorvald Stoltenberg, the Norwegian foreign minister, predicted to the EC Commission yesterday.

Yugoslavia gets approval from World Bank

THE World Bank has confidence in Yugoslavia's tough new programme of economic reform and austerity, Mr Wilfried P. Thalwitz, the Bank's Vice-President said on Monday, Reuter reports from Split.

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Romanians may block Vienna agreement

By Judy Dempsey in Vienna

HOPES faded at the weekend for an agreement on a final document at the Vienna follow-up meeting of the Conference on Security and Co-operation in Europe (CSCE)...

Any agreement depends on consensus by the participating 35 countries which signed the Helsinki Final Act in 1975...

The growing feeling among both Western and East European diplomats is that Romania could prevent agreement on a concluding document at the long drawn-out Vienna meeting...

Signs of Romania taking a much firmer stand emerged in Vienna late last week during one of the regular caucus meetings of the Warsaw Pact...

Mr Dumitru Aninbun and Mr Ion Dactu, the two Romanian ambassadors at the talks, strongly suggested that they would not go along with measures which would strengthen human rights...

The two ambassadors had recently been recalled to Romania, where apparently they received instructions, presumably from President Nicolae Ceausescu...

Although a final document has not yet been drawn up, diplomats are painstakingly working through a draft paper presented by the 12 neutral and non-aligned (NNA) nations...

So far, diplomats have made steady progress in basket one which deals with confidence and security building measures...

Diplomats attending informal meetings between Warsaw Pact and Nato countries on the "conventional stability talks" which are taking place within the framework of the CSCE...

At these talks diplomats expect that the two outstanding issues of the exclusion of dual-capable systems from the mandate as well as the geographical zone will be probably ironed out over the next few weeks...

In contrast, diplomats now fear that the Romanians will simply refuse to agree to any improvements in basket three which concentrates on travel and emigration, ethnic rights and artistic freedom...

If this is the case, there could be a repeat of what happened at the 1985 Budapest Cultural Forum, one of the CSCE review meetings, where, just as the 35 countries were ready to sign a final document, the Romanian delegation blocked it...

Athens hit by wave of public service strikes

By Andriana Terodiconou in Athens

A WAVE of strikes hit Athens yesterday as the Greek Parliament debated a surprise motion of no confidence in the Socialist Government...

As a strike by state secondary school teachers entered its third week, doctors employed with IKA, Greece's main social welfare fund, began a five-day action for higher pay...

Truck drivers announced that they would be staying off the road until tomorrow, along with provincial buses, demanding higher pensions. Bank employees were expected to join in the fray today with a 24-hour strike for higher wages and the preservation of a promotion system based on seniority rather than merit...

Parliament is expected to vote on the no confidence motion today. The chances of the motion passing are remote given the Socialist's 157-strong majority in the 300-member house...

Portuguese doctors go on strike

By DIANA SMITH IN LISBON

AN UNPRECEDENTED week-long strike by Portuguese medical doctors is causing chaos in hospitals, embarrassment for the Government, and growing controversy over Ms Leonor Beza, a health minister whose abrasive personal style recalls that of her UK counterpart Mrs Edwina Currie...

David Lascelles examines some of the most ambitious proposals for 1992 yet put forward by the European Commission

EC wrestles with creation of integrated market in banking

THE European Community's proposals for banking are among the most ambitious yet put forward by the Commission for the single market in 1992. They also embody many of the key principles which the Commission intends to apply to other sectors...

The main proposals are contained in the Second Banking Co-ordination Directive which came out in February and is now making its way along the EC procedure line to the European Parliament...

As a highly regulated industry, banking presents a special problem for the EC integrated market. Regulatory control has to be preserved regardless of what happens to country barriers...

The single licence idea fits in with the more recent shape of the Commission's thinking after it switched its emphasis from maximum to minimum harmonisation...

Generally, the single licence has been welcomed both by bankers and supervisors as a sensible solution to the regulation problem because it will avoid creating a new super-regulator...

It should also stimulate a certain amount of regulatory competition between member states. This may force countries to cut back excessive regulation so that their banks do not suffer a competitive handicap...

Minimum levels of regulation will be guaranteed by other EC directives on bank capital and solvency. But the EC's initiatives here will be overshadowed by the new international supervisory regime being prepared by the Bank for International Settlements in Basle...

Although there is rivalry between the EC and Basle in this area, there is plenty of overlap: too few countries are members of both groups, and they expect the two regimes to be quite similar...

The Commission has asked individual members to consider requests for authorisation as if it were already in force. In fact, virtually every major bank is already in the EC, so there will not exactly be a stampede...

As a highly regulated industry, banking presents a special problem. Regulatory control has to be preserved regardless of what happens to country barriers...

Another key issue is the range of services which fall within banking. The Directive contains an annex listing "business which is integral to banking"...

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investment business. But this has raised a storm of protest from other countries and banks, and it may well have to be reconsidered...

The British Bankers Association, in a detailed analysis of the Directive, says this proposal "flies in the face of the principle of home country control"...

The lobbying effort to have the Directive changed will shortly shift to the European Parliament where it will be considered by a Legal Affairs Committee...

The Directive depends on a number of other measures for its effect. The freedom of capital movements within the EC, recently agreed in principle, is an important one...

Community ministers set today to clear four more hurdles to free trade

By WILLIAM DAWKINS IN BRUSSELS

FOUR BARRIERS to free trade between European Community member states are due to be ordered for deletion today by a decision of the EC's 12 trade and industry ministers...

The session is also tipped by diplomats to clear the way for a ministerial accord, possibly later this month, on far reaching proposals to guarantee professional people the right to work anywhere in the Community...

Community commitments as an integral part of domestic political activity. "As a result, caution, reserve, truly even fears are emerging about decisively attacking ourselves to the single market"...

Many more believe - in the case of Italy, fully one half - that many countries will be allowed special exemptions from various items of legislation designed to free the movement of people, goods and capital...

These are some of the main findings of a poll conducted among the parliamentarians in Italy, Britain, France and Spain by the Rome-based agency Pragma...

According to Pragma, this research into political attitudes towards 1992 highlights the contrast between the Italian politician's attachment to the "European choice" as an ideological value and his general reluctance to consider the need to honour

market by 1992. The liberalising measures to be given member states' final approval today are common rules for good banking practice to avoid the need to duplicate national tests for new chemicals or drugs...

With pulp and high quality paper to offer, virtually new mills and a well established presence in the markets of the EC, the US and eastwards, Finland's Veitsiluoto is approaching the coming decade with a confidence born of practical experience and proven faith in its own abilities...

economic performance," Rautalahti says. "Here in Finland, companies like ours have a responsibility to rely almost entirely on our own resources, skills and commercial activities. And that's the way we like it: we want no hand-outs from the national budget"...

At Kemi, on the northern shore of the Gulf of Bothnia, one of its three pulp mills is fed by river-borne logs and has a paper mill in the vicinity with its own docks and ships hard by, all with direct access to the Baltic...

A second pulp mill, that of Oulu, will have its two-year, \$90m refit ready this summer to create an as-good-as-new facility, strengthening the company's position as Finland's largest pulp producer...

Though state-owned, Veitsiluoto Oy is required to be very bit as self-sufficient, financially and commercially, as its Finnish counterparts with a measure of privately-held equity...

Its straight-speaking Chairman of the Board and Managing Director, Pentti O. Rautalahti, states with some pride that what he usually describes as the organisation's metamorphosis over the past decade, undertaken at a cost in excess of £470m, has been largely financed from Veitsiluoto's own reserves and independent loans...

"For many Europeans these days, this term 'state owned' is regarded as synonymous with poor qualities and grades of paper that very much satisfy the needs of

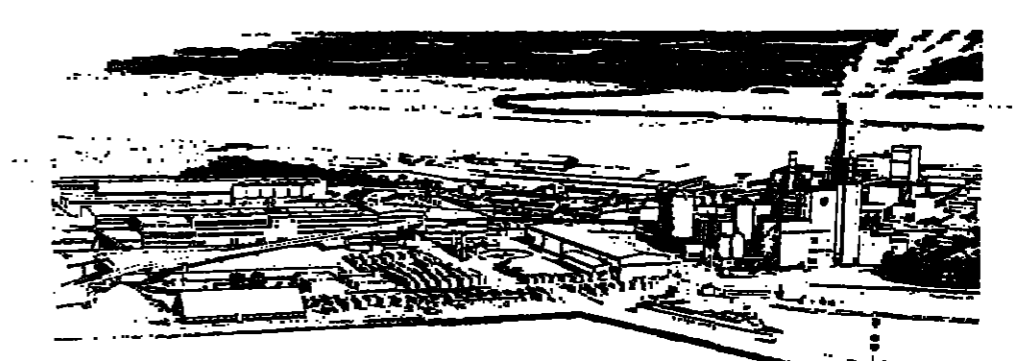
European Community - its largest export market, purchasing more than 50% of the total output - Finland (almost 20%), EFTA (7%), Comecon (principally the Soviet Union, with a little less than 6%) and elsewhere...

As it happens, Veitsiluoto's products are probably better known by their brand names than that of their maker or mill. Paper names like LumiNova, LumiData, LumiWrite, LumiPrint, LumiOffset, LumiCopy and the single-coated, soft-calendered lightweight Lumi-Blade, and such pulp names as LumiPine, LumiBirch, LapponiaPine, LapponiaBirch, OuluPine and OuluBirch...

Turning out the right quality, consistently, is one factor contributing to making and keeping a market. Given that the price is competitive, delivery on time and with the minimum of damage, along with efficient back-up service, counts for a great deal in maintaining customer confidence. This is where the company's integrated structure confers benefits...

"We have big, productive pulp and paper mills that are as good as new: three up-to-the-minute pulp mills and four completely renovated paper machines, with another on the way for fine paper manufacture in the early 1990s. And we have a good reputation for service and consistent quality. "We feel able to face the future with confidence."

Veitsiluoto Oy 94800 Kemi, Finland Tel: +358 698 814 310 Telex: 3614 vta of Telefax: +358 698 814 879



A smooth line from pulp mill to paper mill to ship: getting the quality through

The EC forms our largest export sales area

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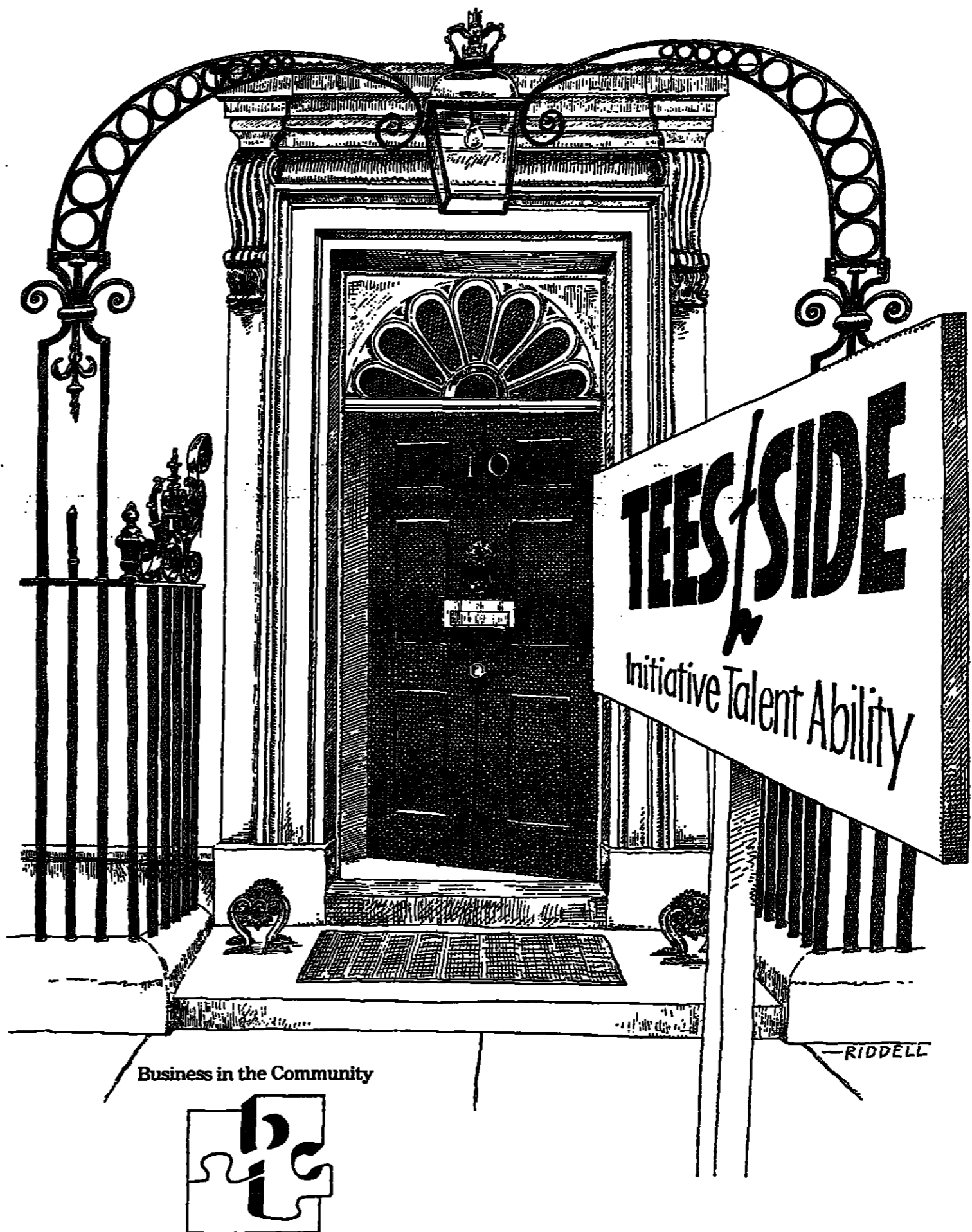
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TEESSIDE AT NO. 10

Teesdale - Another Teesside Initiative

Last night over a hundred top industrialists and businessmen went to Number Ten Downing Street. At a reception organised through Business in the Community they heard the Prime Minister announce Teesside's latest initiative in its drive for renewal. The **Teesdale Initiative** - a multi-million-pound project to bring new life to both banks of the Tees. New business facilities, new homes, new specialist shops, new leisure opportunities, new roads - new jobs. An imaginative partnership between the Teesside Development Corporation, Murray International and a consortium of developers and financial institutions. The Teesdale Initiative - generating a £110 million investment opportunity. Starting in July. Another Teesside Initiative to join the compelling range of initiatives that the Development Corporation has launched during the past nine months - and in which the private sector is an enthusiastic participant. 'A Marina and Much More' at Hartlepool. The Tees Offshore Base, a world centre for subocean technology. The redevelopment of Stockton racecourse as a major sports, leisure and retail complex. The partnership with British Urban Development to create the European Chemical Centre...



**'We are setting out once again to be ahead of our time...
...where you have initiative, talent and ability, the money follows!'**

The Rt Hon Margaret Thatcher, Prime Minister, Teesside, 16 September 1987

TEESSIDE
Initiative Talent Ability

AMERICAN NEWS

Front-runners face last US primary tests

BY LIONEL BARBER IN WASHINGTON

THE FINAL round of US presidential primary elections will open today with both the Republican and Democratic outcomes looking like foregone conclusions.

Governor Michael Dukakis of Massachusetts is aiming for big wins in delegate-rich California and New Jersey to wrap up the Democratic presidential nomination. Vice-President George Bush is certain to be the Republican nominee.

Mr Dukakis already has about 1,800 of the 2,081 delegates needed to win the nomination at the Democratic convention in Atlanta next month. Some 496 delegates are at stake today in California, New Jersey, New Mexico and Montana.

The focus is likely to be on how Mr Bush and Mr Dukakis perform in California, which could prove a pivotal state in the November presidential election. Some political strategists say it will be difficult for Mr Dukakis, a liberal-inclined governor from a north-eastern state, to capture the White House without winning California, which has 47 of the 270 electoral college votes needed for election.

Mr Dukakis has worked hard in California over the past year, winning support on environmental and energy issues such as nuclear power and proposals to expand off-shore oil drilling. Last week, however, he cut his campaign short after his wife, Kitty, had to undergo surgery on her spine.

Mr Dukakis's absence allowed his sole remaining rival for the Democratic nomination, the Rev Jesse Jackson, to step back into the limelight after a series of big losses in primaries. Mr Jackson is spending \$700,000 on television commercials, including a half-hour TV show of his own in California last night. The big question of the next few weeks is: How will Mr Dukakis keep Mr Jackson sweet if the latter is not, as expected, to be offered the Democratic vice-presidential spot?

Mr Bush has also been taking a breather this past week, spending time at his summer home at Kennebunkport, Maine. One motive was to confer with advisers; less publicised was the matter of money. Heavy spending in the early primaries has left the usually well-heeled Mr Bush short of cash.

Cancer surgery for Duarte today

BY ROBERT GRAHAM, LATIN AMERICA EDITOR

A TEAM of surgeons in Washington is expected to operate today on President Jose Napoleon Duarte of El Salvador in an attempt to slow the spread of what may become a fatal cancer.

Mr Duarte was admitted last Tuesday to a Washington military hospital with a bleeding stomach ulcer of which he had begun to complain 10 days before. This was diagnosed as a cancer of the stomach which is reported to have spread to the lungs.

In private, officials are intimating that the president might live only a matter of months.

However, Mr Duarte, aged 62, is nothing if not a fighter, and he is expected to wish to exercise his office as long as possible.

Presidential elections in El Salvador are due early next year.

Well before the revelation of his illness, he had begun to look like a lame-duck leader, with his Christian Democratic Party deeply split over the succession.

The loss of prestige by him and the party was demonstrated in the March parliamentary elections. The Christian Democrats lost their majority in the 61-seat parliament, being spectacularly overtaken by the right-wing group Arena. Since then, the Christian Democrats have effectively formed two wings with a presidential candidate each.

Against this background, it is just conceivable that Mr Duarte's illness might pull his party together and generate renewed support for the Christian Democrats. It could also create a new dynamic for peace negotiations

with the FMLN left-wing guerrillas. However, much depends on whether Mr Duarte will be obliged to pass on the presidency prematurely.

The US Government has relied heavily on him during the past three years to give a democratic image to El Salvador, so enabling Congress to vote large quantities of military aid to combat the nine-year guerrilla insurgency. The political ascendancy of Arena, whose leaders have been associated with right-wing death squads, is embarrassing to the US.

Andrew Gilmore and Francis Fitzgerald add from San Salvador: El Salvador is facing its worst coffee harvest, which could plunge the country into economic

chaos. The drop in coffee production, estimated to reach only 60 per cent of the 1987 harvest, is mainly due to a two-year drought in much of Central America.

Arena is openly advocating a move to free market economics. Mr Alfredo Cristiani, the Arena candidate for the presidential election and a big grower of coffee, has said that his economic programme is to "roll back the State, liberalise the economy, privatise land ownership and effect radical changes in the coffee industry."

At least a third of the economically active population is unemployed. Likely cuts in the seasonal labour required for the coffee harvest would make this problem more acute.

Prospects bright for final peace accord in Nicaragua

BY JOE GANNON IN MANAGUA

A PEACE accord by the Nicaraguan government and the Contra rebels is near as the two sides enter the fourth round of talks today.

Leaders of the Nicaraguan Resistance, the Contra umbrella organisation, are to meet government officials from today until Thursday in Managua. This will be the fourth session held in the Nicaraguan capital to negotiate an end to the 6½-year civil war.

After the last meeting, the government accepted most of the Contras' political conditions for laying down their arms.

Both sides have been blustering publicly for the past few days, but are now saying they expect an agreement which will mark substantial progress, if not a final armistice.

Col Enrique Bermudez, contra military chief, remains unpredictable. As the only Contra leader with any military might, he is the one who could spoil any accord if he decided to stay in Honduras with the troops loyal to him and await the possibility of a new Republican administration in the US.

Some hard bargaining still remains. The Contras want a calendar for the main political actions they want in exchange for giving up their weapons. Among their demands are the separation of the ruling Sandinista party from the Nicaragua army, a private channel on the State television system and a respect an agreement which will mark substantial progress, if not a final armistice.

Venezuelan business fears sharp downturn

BY JOE MANN IN CARACAS

THERE ARE increasing signs that Venezuela's economy is heading for serious problems over the next 12 to 18 months. Hence there is sharp pressure on President Jaime Lusinchi, with only eight months left in office, to act.

Venezuelan business is worried that no big economic decisions will be made to ameliorate the situation. A new government will take office next February and the current administration seems reluctant to offer any significant

new initiatives.

Members of the president's ruling Democratic Action party are publicly calling for immediate renegotiation of the \$35.9bn public sector foreign debt, and organised labour is pressing for wage benefits to offset the 40 per cent inflation last year.

The country has suffered a dramatic decline in its foreign currency reserves. Some economists have warned that the balance of payments deficit this year could go as high as \$4bn. Businessmen

who rely on imported raw materials are worried that they will be forced to close their operations as this government or the next tries to conserve foreign exchange reserves by restricting supply to the private sector.

In an interview published this week in the Wall Street Journal, Mr Hector Hurtado, Finance Minister, said the Government will seek \$2bn in new credits overseas and will ask for softer terms on its foreign debt.

However, only last week he said discussions about possible new talks on foreign debt were "a closed chapter" for this government, thus perpetuating the administration's line that it does not want to open new negotiations. Moreover, international bankers in Caracas say that, aside from some new trade credits and \$300m in bonds that the Government wanted to place at the end of last year, banks have received no requests from the Government for large loans.

Many would like to get rid of the rebels, says Robert Graham. Contras become liability to US

FRIENDS EVAPORATE in Washington when a cause begins to look like a loser. This syndrome is affecting the Contra rebels, President Reagan's "freedom fighters" who will arrive in Managua tomorrow for the next scheduled round of peace talks the Sandinista Government in Nicaragua.

Deeply divided, militarily emasculated by the refusal of Congress to renew aid, and constantly out-witted by the Sandinistas in propaganda and negotiation, the Contras have become a liability. In the final months of the Reagan Administration the Contras look like unsold stock in a showroom about to change hands.

"Most people would like to get them off the shelf before the next administration," commented one official.

Only a rump of the hardline ideological right still enthusiastically supports them. Such support is no longer founded on the

can be extended formally or informally by at least another 30 days.

The ceasefire has worked against the Contras. The congressional ban on military aid has curtailed resupply flights by the CIA over Nicaragua. Meanwhile the Sandinistas have effectively blocked the distribution inside Nicaragua of direct humanitarian aid (\$17m approved by Congress). Leaders of the 10,000-strong Contra force inside Nicaragua, for their part, have been reluctant to move into recognised ceasefire zones for fear of being vulnerable should the ceasefire break down.

As a result, as many as half of the Contra troops have been obliged to return to rear bases in Honduras for food, pay and supplies. Morale is reported low, and there is some talk of desertion. The troops virtually mutinied demanding the dismissal of Commander Bermudez. In contrast Sandinista troops have festered, been resupplied and consolidated positions, especially along the Honduran frontier where, just prior to the March ceasefire, Contra forces were dealt a major blow.

Thus the longer the ceasefire holds, the more complex it will be for the Contras to resume hostilities, and the more unpopular such action is likely to be among a war-weary population accustomed to peace.

Demoralised and uncertain of their post-Reagan future, the Contra leadership is badly split. US officials are constantly being called to paper over the differences or act as intermediaries between one faction and another. Military men like Bermudez see little space for themselves in a Nicaragua dominated by the Sandinistas, and would prefer to fight on regardless. Other leaders like the more liberal politician, Mr Alfredo César, favour full negotiations on the grounds that Sandinista concessions have opened a new political process. Washington has manoeuvred him into the main negotiating spot, pushing aside the less presentable Mr Adolfo Calero, who has been the principal political figure for the past three years.

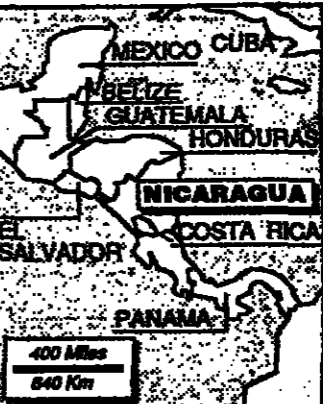
Mr César is calculating that the next US administration (Democratic or Republican) will be looking for a credible figure inside Nicaragua as a counter-balance to the Sandinistas: he wants to be that person.

However, there is little love lost between the internal opposition, who have stayed on inside Nicaragua at personal risk, and those politicians who wanted out early in the flash-pots of Miami. The former feel the Contras have yet to identify their constituency and are wary of conceding them prominence. The Sandinistas are still insisting that national reconciliation must be with all sectors, the internal opposition and the Contras.

The Sandinistas aim therefore is to draw the Contras into the peace process so far that it will be impossible to break off, or if a break occurs it clearly cannot be blamed on Managua by Washington. This point has almost been reached. The Sandinistas will then be able to exploit the fustianous nature of the opposition to either water down earlier promises or hold elections which they believe they can win.

If the Reagan Administration wishes to influence events further, it will have to resume a direct dialogue with the Sandinistas. The latter have long been pressing to talk "with the ringmaster, not the animals in the circus." Such a dialogue would be to establish a form of security pact whereby Nicaragua recognised US strategic interests in Central America in return for being left alone - or preferably having economic sanctions lifted and country-to-country aid resumed.

Direct talks are being considered in Washington, giving Nicaragua what one official called "a certificate of limited survivability". But this is going to be hard for President Reagan to swallow.



prospect of the Contras spearheading a movement capable, as once hoped, of overthrowing the Sandinistas. The motives are more cynical and self-serving.

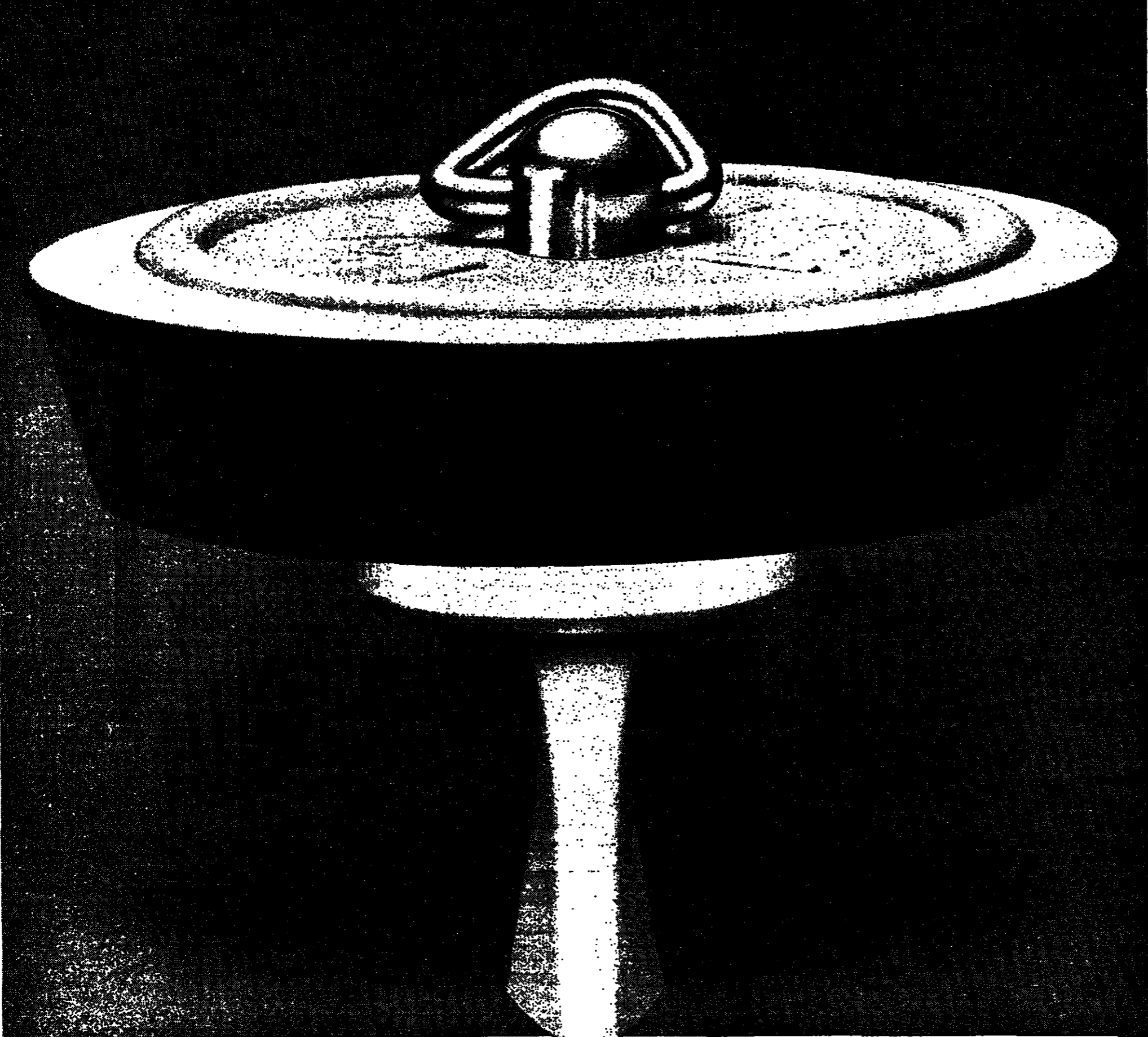
The Reagan administration invented the Contras to wage war by proxy against the Sandinistas and against a broader ill-defined threat of a communist beachhead in Central America. So much of the President's personal prestige has been invested in this crusade that formal abandonment of the Contras would profoundly damage Mr Reagan's standing and would imply, on the logic of his own geo-strategic schema, that communism had won out.

Since the cut-off of congressional funding for "lethal" aid, the Reagan administration has possessed only one weapon to intimidate the Sandinistas, who are genuinely anxious to end a debilitating seven-year-old conflict: the threat of renewed military assistance to the Contras should the Sandinistas misbehave. However, the Sandinista leadership is acutely conscious that the battle has always been in Washington for the hearts and minds of Congress and US public opinion. On this public relations front, the Sandinistas have shown they know cannily well how to concede enough to appear reasonable.

They have eased press restrictions, initiated a political dialogue with the 14 parties of the internal opposition, and have accepted direct peace talks in Managua with the Contras, something which President Daniel Ortega not long ago refused to condone. Again last week, in the third round of these peace talks, further concessions were forthcoming, including the promise of "free and honest elections" and a loosening of the Sandinistas' exclusive hold over the apparatus of state.

These concessions were made in the presence of the Contras' military commander, Col Enrique Bermudez, who had previously stayed away from the talks. He has been viewed in Managua as public enemy number one because of his very public association with the Somoceros National Guard.

President Ortega's basic aim in the fourth round of talks appears to be to ensure that the 60-day ceasefire, due to expire on June 1,



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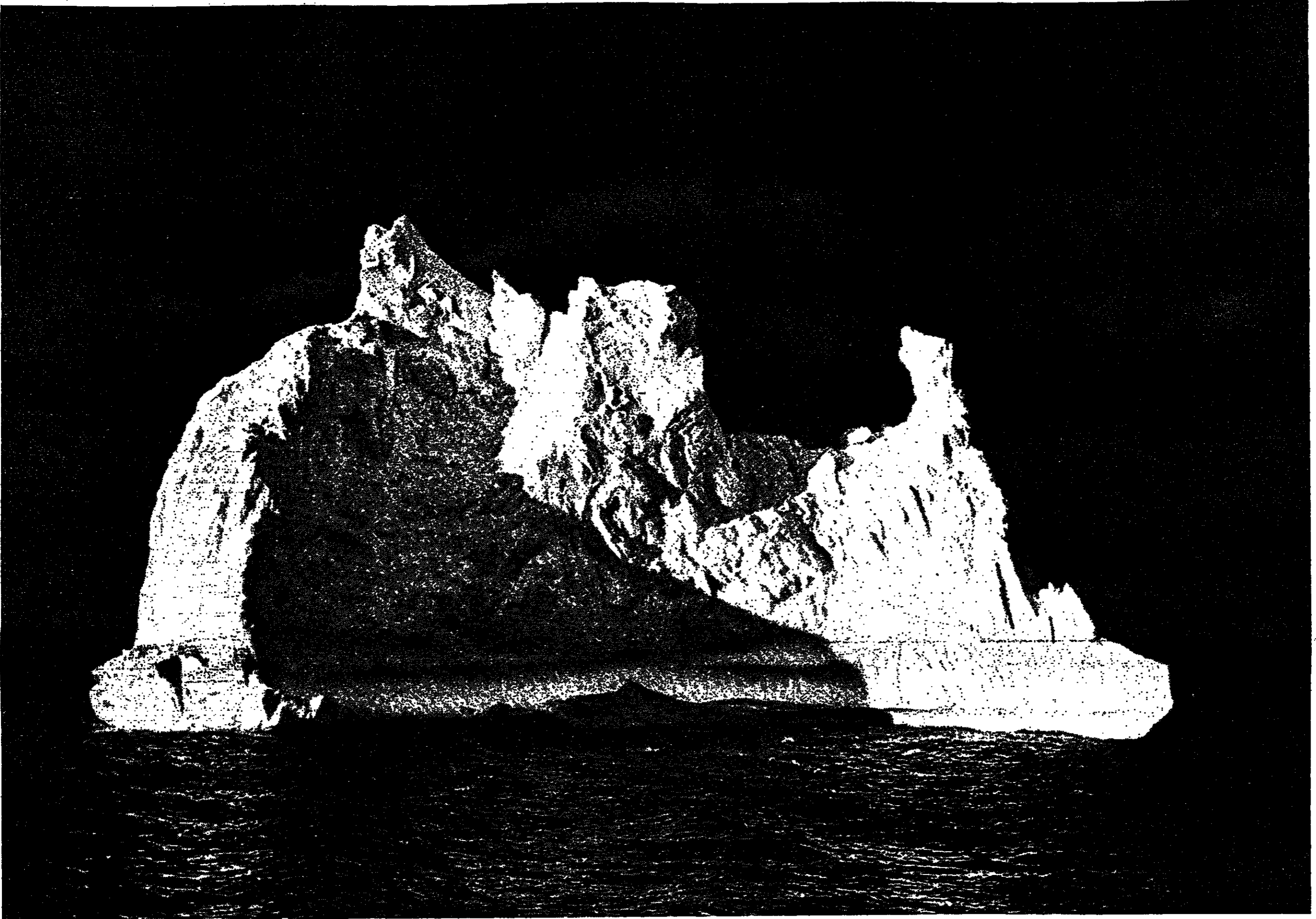
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*Manufacturer's figures

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UK NEWS

DATA CONFIRM ECONOMIC BUOYANCY

Retail sales up strongly as credit continues high

BY RALPH ATKINS

BRITISH consumers' appetite for credit showed few signs of easing in April while retail sales continued to grow strongly, according to official figures published yesterday.

Department of Trade and Industry figures showed the amount outstanding on consumer credit agreements rose by a seasonally adjusted £300m in April to £24.5bn. That compared with an increase of £400m in March.

Separate figures from the department showed little evidence of a slowdown in retail sales growth. The seasonally adjusted index of retail sales volume was revised upwards in April to show a 0.7 per cent rise compared with provisional figures showing a 0.2 per cent rise. In the three months to April, retail sales were nearly 1 1/2 per cent higher than the previous three months, and 6 1/2 per cent

higher than the same period a year before.

The consumer credit figures cover bank credit cards and include agreements with retailers, building societies, retailers and finance houses. They exclude loans on bank personal accounts and from insurance companies.

Although the April rise was less than in the previous month, there is little evidence of a slowdown in the underlying rate of growth.

In the three months to April the amount of credit outstanding increased by more than £1bn compared with less than £500m between November and January.

New credit advanced to consumers, before taking account of repayments, was £3.3bn in April compared with £3.4bn in March. The total for the three months to April was 9 per cent higher than in the previous three months.

The continuing strength of consumer credit and retail sales highlights the buoyancy of the consumer sector in the economy. However, this is likely to increase the fears of some independent economists that economic growth is becoming unbalanced.

If consumer spending, fuelled by credit, continues to grow rapidly, it is argued, it could add to inflationary pressures and lead to large increases in imports.

Yesterday's half a percentage point rise in bank base rates is unlikely to have a significant effect on consumer credit which is thought to be insensitive to the cost of interest payments. Retail sales are likely to be affected significantly only if the rise feeds through into higher mortgage rates which would have an impact on households' spending behaviour.

In Brief

Aid to BAe for Airbus project not ruled out

LORD YOUNG, the British Trade and Industry Secretary, has refused to rule out further government aid to ensure British Aerospace's continued participation in the European Airbus project, writes Ivor Owen.

The minister said in the House of Lords yesterday that he had met BAe management to discuss the problems caused by the low dollar but that he had received "no firm proposals" for additional support. However, he refused to give an undertaking that "under no circumstances" would such assistance be given.

BA launches shops

British Airways is to replace its existing high street sales outlets with a chain of up to 60 shops, to be called FourCorner, aimed at high-income travellers. A subsidiary, British Airways Enterprises, has been set up to undertake the £10m venture.

GLC site shortlist

A shortlist of four developers has been drawn up for County Hall, the former headquarters of the Greater London Council. Twelve bids had been made for the contract to redevelop the site, covering over 1m sq ft on the south bank of the River Thames. A final decision has been promised within the next month or so.

Britain 'backs Opec'

MR CECIL PARKINSON, Energy Secretary, said yesterday that he supported Opec's efforts to stabilise oil prices at about \$18 a barrel. Speaking after meeting President Suharto of Indonesia, Mr Parkinson said that although Britain was not a member of Opec it was effectively helping the organisation's efforts because its own output was gradually falling.

SNP poll tax revolt

The Scottish National Party has launched a campaign to persuade 100,000 Scots to refuse to pay the community charge or poll tax when it comes into effect in Scotland, under a comprehensive reform of local taxation, next April.

Car registrations likely to set record as May sales rise 11%

BY KEVIN DOME, MOTOR INDUSTRY CORRESPONDENT

NEW CAR SALES jumped by 10.79 per cent in May, making the UK one of Europe's fastest growing volume car markets.

Car sales are expected to set a record in 1988 for the third successive year. Last year they exceeded 2m units for the first time.

The hectic rate of growth of the last two years has finally begun to slow in some European markets, but UK car registrations continue to rise strongly. Last month they rose to 185,422 units from 167,357 a year earlier, the highest May sales since 1979 according to figures released yesterday by the Society of Motor Manufacturers and Traders.

Figures for other European markets are due later this month. For the first five months UK new car sales rose by 10.36 per cent to 838,123 units from 848,216 in the corresponding period a year earlier.

For the 12 months to the end of May, new car registrations reached 2.1m compared with the 2.01m recorded for 1987. Ford, the market leader, appears to have recovered fully from the impact of the two-week

national strike at its UK plants in February and captured 32.08 per cent of the market in May.

Its market share for the first five months is lower than a year ago at 27.29 per cent compared with 29.05 per cent in the first five months of 1987, but it still holds unchallenged the top three positions in the UK car sales league with the Escort, Fiesta and Sierra models.

Austin Rover's share of the UK new car market has continued to fall despite a three-month low-cost financing promotion it is running for the Metro. It captured 13.21 per cent of the market in May compared with 13.52 per cent a year earlier, while for the first five months its share has fallen to 14.77 per cent from 15.57 per cent a year earlier despite a modest increase of 4.7 per cent in sales in the first five months to 138,310 units.

The share of imported cars in the UK market has increased sharply in the first five months to 54.54 per cent compared with 50.71 per cent a year ago, mostly because of a strong rise in the volume of cars being imported by

both Ford and Vauxhall from continental plants.

The share of UK-built cars in Ford's sales in the first five months slumped to 57 per cent partly under the impact of the February strike - from 72.5 per cent a year ago, while Vauxhall's UK-built cars accounted for 66.3 per cent of sales compared with 70.9 per cent a year earlier.

Citroen, part of the French Peugeot group, and Nissan of Japan have made some of the biggest gains to date. Citroen almost doubled its market share in May to 3.29 per cent compared with 1.76 per cent a year ago as its sales volume jumped by 106 per cent to 6,083 from 2,950. In the first five months it has increased sales by 84.5 per cent and raised its market share to 3.11 per cent from 2.09 per cent. Nissan has increased its market share in the first five months to 5.5 per cent from 4.5 per cent a year ago, and in May alone it captured 6.56 per cent of UK car sales boosted by increasing production from its UK assembly plant in Sunderland, north east England.

Ulster group creates 225 jobs

NORBROOK Laboratories, Northern Ireland pharmaceutical company, yesterday announced an expansion plan which will bring 225 new jobs to the company's plant at Newry, Co Down, by 1990.

Mr Edward Haugherty, the company's chairman, said the expansion was a result of a £5 million investment in new machinery and equipment on the plant.

Tyrone Crystal plans a new £6m factory

A \$5 million investment will create 100 jobs in Tyrone, Co Tyrone, the county of Donegal, Northern Ireland's best known craft-based enterprise.

The investment, led by the Tyrone Crystal Development Board, is a result of a £6 million investment in a new factory to be built on a 10-acre site in Tyrone.

Mr Tom Linn, the board's chairman, said the new factory will be completed by the end of 1988.

£20m boost for Northern Ireland plant

CHEMICAL company Du Pont has announced a £20 million investment plan for its plant at Maydown, Co Down, Northern Ireland.

It is to build a facility to produce chlorine and various other chemicals for use in the chemical and fibres manufacturing at the site at Maydown.

Work on the plant began last year.

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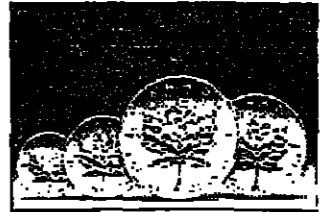
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UK NEWS

Charges dropped against Page in Howden affair

BY NICK BUNKER

POLICE have dropped all charges against Mr Allan Page, a defendant in the Alexander Howden fraud case, because Mr Page is suffering from complications following a serious operation, London magistrates heard yesterday. Mr Page, who is in his 60s, was one of five men arrested last July on fraud and conspiracy charges arising from the six-year-old Howden affair at Lloyd's of London, the insurance market. They include Mr Ian Posgate, former marine insurance underwriter. News that charges against Mr Page had been abandoned came as the court began the first day of committal proceedings against Mr Posgate and three other men, Mr Kenneth Grob, Mr Jack Carpenter and Mr Colin Leonard Roy Hart. The proceedings are expected to last up to four weeks. Mr Page was finance director of Alexander Howden, one of London's biggest insurance brokers, until August 1982, when he resigned from its board six months after it was taken over by New York-based Alexander & Alexander Services.

between 1979 and 1982 by falsely representing that a syndicate of buyers of the Geneva-based Banque du Rhône et de la Tamise had no connection with the Alexander Howden group.

Mr David Inman, counsel for Mr Page, told the court yesterday Mr Page had a short life expectancy. Reporting restrictions were not lifted at the hearing, but the Crown Prosecution Service laid a series of new detailed theft and fraud charges to replace the specimen charges which were brought against the other four men last year.

Mr Grob, former chairman of Alexander Howden, now faces 56 allegations in all, the first of which is that in August 1981 he stole £1,135,510 belonging to Alexander Howden and to members of Lloyd's insurance syndicates.

He is also charged on several counts of false accounting. Mr Posgate faces two charges, including conspiracy to steal money from members of Lloyd's syndicates. Mr Hart, a former professional Lloyd's underwriter, faces three charges of conspiracy to steal money from Lloyd's syndicates.

The hearing continues today.

Unionist politicians snub Dublin overtures

By Kieran Cooke in Dublin

POLITICAL flirtations quickly turn sour in Ireland.

Only last week Mr Charles Haughey, the Irish Prime Minister, was describing as "very exciting" the prospect of talks with Mr James Molyneux, the leader of Northern Ireland's Official Unionist Party.

However, over the past two days both Mr Molyneux and the Rev Ian Paisley, the leader of the Democratic Unionist Party, have made it clear that no such meeting is contemplated, nor is it desirable.

Mr Molyneux described as "outright lies" speculation that he and Mr Haughey had exchanged position papers about the situation in Northern Ireland and said he had no intention of meeting the Irish Prime Minister in the foreseeable future.

Mr Paisley, made his position clear on Irish radio. "No Unionist worth his salt would sit down at an all-Ireland constitutional conference, allowing Dublin to have any say in the future of Northern Ireland or to discuss a Northern Ireland government."

Mr Paisley said that the Anglo-Irish agreement had to be scrapped and devolved government returned to Northern Ireland.

Tom Lynch examines a procedural dispute over a stalled bid to change abortion law Alton takes 18th century tack to save his bill

MR DAVID ALTON, the Democrat MP, will today try to resurrect his bill to reduce the time limit on abortions by, in turn, resurrecting a parliamentary stratagem from the early 18th century.

The device is known as 'tacking', meaning to tack an amendment on to a bill. It originated when only Church of England communicants were allowed to represent English constituencies. Many nonconformist Whig members stayed MPs by confirming with the established church once a year.

This occasional conformity so enraged the High Anglican Tories that they took to adding amendments to every bill before parliament to outlaw the device. Tacking is accepted practice in other countries - US President Reagan last month vetoed a trade bill partly because a provision had been tacked on to require employers to give 60 days' notice of plant closures. But ever since the battle over occasional conformity, tacking has been frowned on in the UK.

However, Mr Alton, MP for Liverpool Mossley Hill, has been so angered by the failure of his bill to make progress - it now has no hope of becoming law under the private members bill procedure whereby individual MPs sponsor proposed pieces of legislation - that he has moved it as a new clause to the Government's Criminal Justice Bill, which today begins its report stage in the House of Commons.

To point up their concern at the tactic, Mr Alton's opponents have joined in the tacking campaign, attempting to add to the same bill a range of stalled private members' bills on subjects as diverse as the humane slaughtering of deer, the printing of nude pictures in newspapers and the sale of toy guns.

There is also said to be some pressure from those seeking to reduce the abortion time limit from 28 weeks of pregnancy to 24, instead of the 18 weeks proposed by Mr Alton. A powerful lobby of parliamentarians rallied round this proposal earlier and they may seek to use tacking to promote their view.

It remains to be seen whether Mr Bernard Weatherill, the Speaker of the House, will select Mr Alton's amendment, which has been ruled to be in order. The test of whether an amendment is in order is whether it is covered by the "long title" of the bill the House printed on the bill defining its purposes.

Birmingham to get £203m aid

BY WILLIAM DAWKINS IN BRUSSELS

BIRMINGHAM is to get £203m of European Community aid and loans over the next five years, the largest single tranche of EC assistance approved for the UK and the first assistance project of its kind earmarked for the country.

The cash, announced by the European Commission yesterday, is to help the economic regeneration of the city under a so-called Integrated Development Operation (IDO), a new kind of EC assistance whereby different Community social and regional funds are handed out in a co-ordinated way over a period of years. It is intended to be more effective than the previous way of dispersing aid for individual projects year by year, and was introduced as part of the EC budget and regional aid reforms agreed at the February summit of Community leaders.

The Birmingham programme represents a total investment of £460m between 1987 and 1991, including private contributions and the city's own funds. It will be spent on job creation, encouraging diversification of the local economy into services, tourism and high technology, improving local transport and training.

Yesterday's decision comes after a flurry of lobbying in Brussels by UK city authorities, fearful that they will lose out to southern member states. EC leaders agreed in February that this structural spending should rise from £67.4bn (£4.9bn) this year to £101.5bn in 1992.

Of the total, £113m comes from the European Regional Development Fund, the biggest of the EC structural funds. Another £30.6m comes from the European Social Fund for Vocational Training, with loans worth £30.6m from the European Investment Bank and £23.9m from the European Coal and Steel Community.

Assets 'may cover' most of Barlow Clowes debt

By Clive Wolman

MR MICHAEL Jordan of accountants Cork Gully yesterday gave encouraging news to the 7,000 investors in Barlow Clowes Gilt Managers, which the Securities and Investments Board is seeking to wind up.

Mr Jordan, the firm's special manager, told a group of 70 solicitors, accountants and financial advisers that holdings of gilt-edged securities already identified would cover most of the £51m of investors' money placed with the company.

The gilts are being held by Midland Bank Nominees. Mr Jordan said that if there was any shortfall, it would be small. However, in view of the company's poor record keeping, delays might arise in allocating all the assets to investors in the correct amount, he said.

Whether or not a deficit exists hinges mainly on the precise interpretation of clauses in the contracts under which Barlow Clowes has been managing investors' gilt portfolios. These do not make clear whether the firm is obliged to repay the gilts to investors at their full redemption value.

It also emerged yesterday that Barlow Clowes had a professional indemnity policy which guaranteed investors against any losses through fraud or negligence up to a maximum of £10m. The policy, which was placed by Fenchurch Alliance insurance company, lapsed in mid-1985. However, those who invested before then may receive some additional protection.

Meanwhile, some of the 11,000 investors in Barlow Clowes International, the associated company which is based in Gibraltar, have initiated an action in the Gibraltar courts to freeze its assets, which have to meet liabilities of about £130m to clients.

The UK authorities, which are fearful that money may have been shifted between the two companies, are also considering action in the Gibraltar courts.

IFS warns of renewed turmoil in coal sector

By Maurice Samuelson and Max Wilkinson

RENEWED turmoil in the British coal industry could follow privatisation of the power stations, the Institute for Fiscal Studies warned yesterday.

In a report on the impact of electricity privatisation on other energy industries, IFS said competition among rival private electricity producers is likely to focus on fuel prices.

The less the industry pays for its fuel, the report argues, "the more profitable it will be and so the larger will be its market value." Power generators will presumably therefore be allowed, "perhaps even encouraged," to substitute imported coal for domestically produced.

The IFS argues that Central Electricity Generating Board has, as a monopoly, been willing to prop up British Coal by buying a substantial tranche at a price well above that of imports. However, it says it is inconceivable that a similar understanding will be reached with the two generating companies to be formed from the CEGB after privatisation.

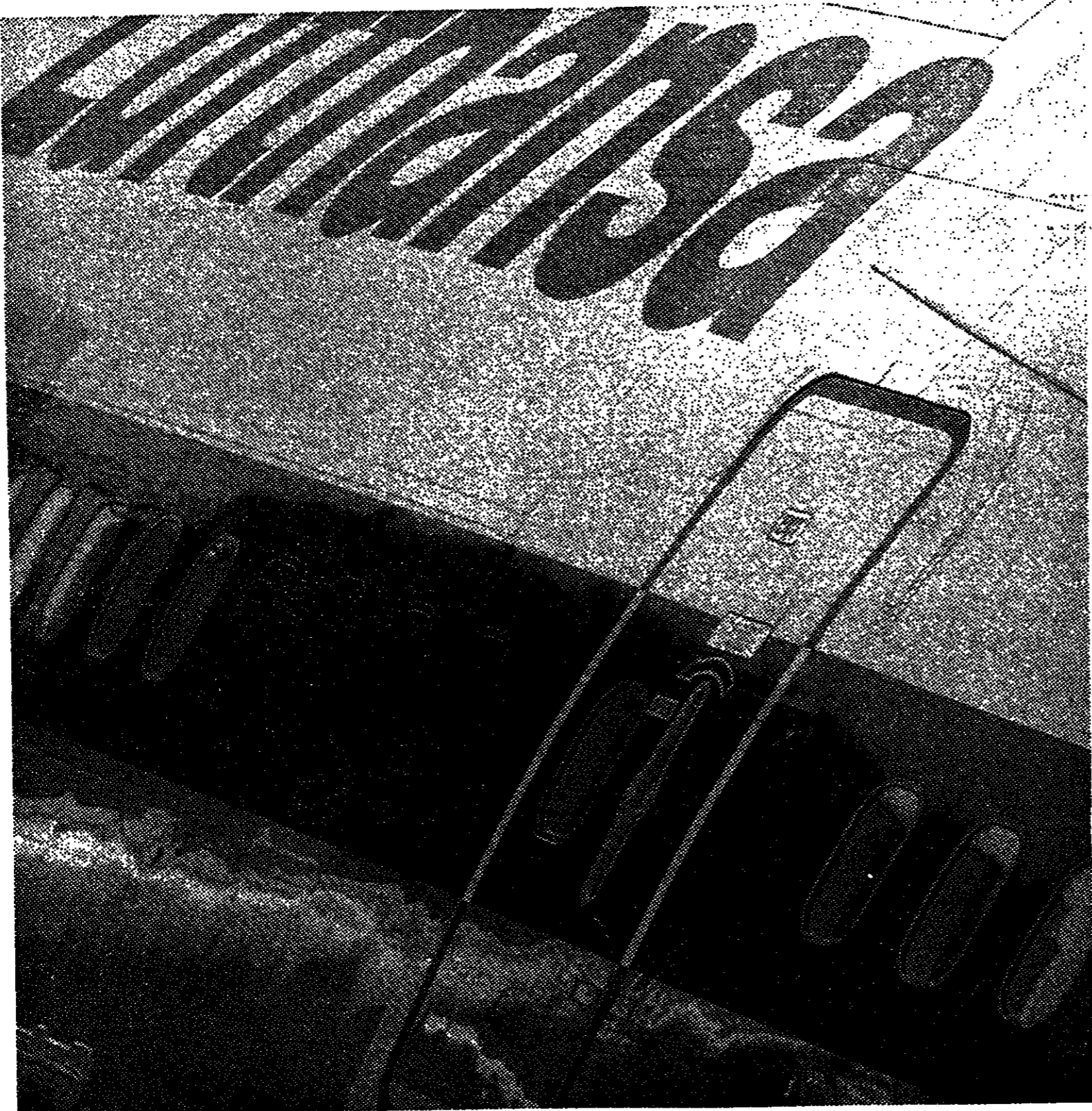
If, on the other hand, electricity were put under pressure to cut costs, the balance of argument in the industry would shift. "In these circumstances there would still be hard times ahead for British Coal."

One of the contributors to the report, Mr Dieter Heim of the London Business School, has urged the Government to distinguish between two kinds of regulation needed once the electricity industry was privatised.

The first would protect consumers from excessive price increases by a monopoly industry, whereas the other would prevent established companies from freezing out competition.

The CEGB is to seek planning permission this summer for a 1,200MW coal-fired power station at Kingsnorth.

One of Germany's contributions to uniting the nations.



Parliament expected to reject case for hanging in fresh vote

BY MICHAEL CASSELL

MPs RETURN to the House of Commons today to debate the case for restoration of the death penalty, 23 years after it was abolished. They are, once again, expected to defy public opinion and vote against its reintroduction.

The Commons will have the opportunity to debate one of the most controversial of political issues, following the tabling of an amendment to the Criminal Justice Bill, which returns today for its report stage.

The most likely amendment to be chosen by the Speaker of the House has been put down by Mr Roger Gale, the Conservative MP for Thanet North in Kent. He has the support of about 100 MPs in his call to reintroduce capital punishment as the maximum penalty for murder. There are 650 MPs in the Commons.

Under his amendment, a jury would have the power, after reaching a guilty verdict, to recommend the death sentence.

Mr Gale claims MPs will, in effect, also be debating whether or not the police should be armed. He points out that, under the bill, the courts will be able to impose the same penalty for carrying an offensive weapon as for using it. He believes that without capital punishment the offender will have no disinclination to use a weapon and the case for arming the police will be strengthened.

The debate will provide MPs with their first opportunity to debate the issue since last year's general election. Despite evidence that the new influx of 53 Tory MPs should swing the balance in favour of those supporting capital punishment, another sizable vote against its return is expected.

A recent poll by the Mori organisation showed, however, that 67 per cent of British voters favour the return of the death penalty, with the figure rising to 80 per cent among the young.

It is likely that, as in the past, MPs will tend to regard the occasion as an opportunity to exercise their own consciences, rather than express the wishes of their voters. However, they will reach their decision only after facing intense lobbying by supporters of both sides of the argument.

The anti-hanging camp is led primarily by Amnesty International, the human rights organisation, and the Howard League for Penal Reform. Their case is based primarily on moral grounds and on the lack of evidence to support the view that the death penalty acts as a deterrent. Possible miscarriages of justice are also cited as an argument against its reintroduction.

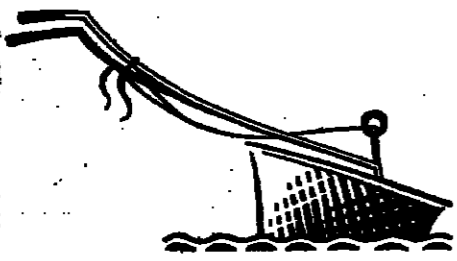
On the other side of the argument, the recently-formed National Capital Punishment Campaign claims MPs cannot continue to ignore the wishes of the overwhelming majority of the public and says it already has the support of over 60,000 people for Mr Gale's amendment. It is committed to continuing the fight, even if its cause is defeated today.

Mr Gale was last night pessimistic about his prospects for success, claiming "if I was a betting man I would not put any money on my amendment." He believes many MPs might still be absent on the first day after the Commons' spring recess and also thinks some Tory MPs, who are opposed to the death penalty but under pressure from their local party to vote in favour, will solve their dilemma by staying away.

Whatever the Commons decides, capital punishment will remain on the statute book as the mandatory penalty for high treason and for piracy with violence. One set of gallows is kept in working order at Wandsworth prison.

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UK NEWS

Alice Rawsthorn on the changing UK carpet sector

Coloroll's acquisition takes it to the top

COLOROLL won control of the John Crowther textile group on Friday, in the latest of a series of recent changes in the British carpets market. The takeover makes Coloroll the largest manufacturer and the second largest distributor of carpets in the UK.

Because MCD, Crowther's distribution concern, is in good shape, the main challenge will be to revitalise the manufacturing side of its operations. If this succeeds, Coloroll will become a formidable force in the £2.5bn British home furnishings market. It will also exert considerable influence over the restructuring currently under way in the £350m carpet industry.

Until the mid-1980s the industry was the domain of hundreds of family businesses. The problems implicit in a fragmented structure - compounded by the power of the "pile it high and sell it cheap" retailers such as Harris and Allied - left the industry vulnerable to sudden slumps in consumer spending and to increasing imports.

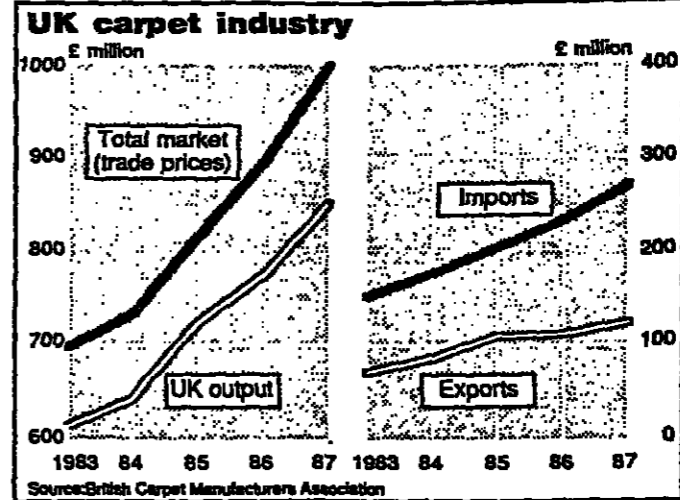
Then, in 1983 and 1986, carpet manufacturing was reshaped by a series of acquisitions which led to the emergence of four forces within the industry.

Coats Viyella (then Vantona Viyella) became the biggest carpet company in the UK by adding Lancaster Carpets to Donaghadee, through its acquisition of Nottingham Manufacturing. It has since acquired Youghal, a big but troubled manufacturer in the Irish Republic.

Crowther surfaced as the second largest player by merging Carpets International with Weavercraft. Lamont Holdings, a specialist textile group, acquired Shaw as a loss-making concern, while Coloroll ventured into carpets when it bought Wallbridge Holdings.

The reorganisation that followed these acquisitions introduced a new wave of management to the notoriously badly run industry and resulted in long overdue plant closures and cuts in capacity borne principally by Coats and Crowther. Both found the process of reorganisation unexpectedly difficult, and for the past two years both have been plagued by production and distribution problems.

Their weakness has in turn given the smaller companies a chance to strengthen their hold



on the market. Lamont has steered Shaw back to profit, Coloroll has broadened the base of Wallbridge's business, and Tomkinsons has consolidated its position in consumer carpets.

Britons and Hugh Mackay have gained ground within the contract market.

Coats is still grappling with the problems of Youghal but its reorganisation should be completed by the autumn, when it will introduce new ranges.

The Crowther carpet companies are, however, struggling. Through the takeover, Coloroll has acquired two huge production plants in Bradford and Kidderminster. Both are operating well below capacity, with heavy overheads and a legacy of management problems.

If it is to salvage these businesses, Coloroll must act swiftly to cut costs, boost output and restore stability.

It has already mapped out preliminary plans. It will resume the plants at Bradford and Kidderminster the Kosset and Crossley mills respectively, and retain its existing Wallbridge site in Somerset as the Coloroll Mill. It hopes to increase output at the plants by augmenting sales to Harris and Queensway and also to emerging carpet retailers such as the do-it-yourself stores Texas and B&Q.

About £3m will be saved through economies of scale by pooling the buying of raw material. Coloroll also plans to introduce techniques already used at

Wallbridge to the other two mills, to improve stock and waste control. It equally has the option of shedding the "peripheral" parts of Crowther's carpet activities. It could sell the spinning mills through management buy-outs, for example, close the sales centre at Brighouse in Yorkshire, or reduce labour costs at the factories in areas like maintenance.

It may not face an easy task, given that the takeover has come at a time when the carpet market is becoming increasingly competitive. First, the enlarged Coloroll operation will face far tougher competition than it has until recently from fellow domestic manufacturers: not only from niche producers like Tomkinsons, but also from Coats and Lamont.

Second, the recent strength of sterling has accelerated the influx of imports into the UK from countries such as Belgium and, to a lesser extent, the US.

The company's third problem is that its plans for boosting output depend on increasing sales to Harris and Allied, both of which are in difficulty.

On a more mundane note, Coloroll also faces the challenge of introducing new products in time for the Harrogate Carpet Fair in September. This is the highlight of the industry's year, when manufacturers unveil their designs and retailers commit their budgets. Unless Coloroll can rush out new ranges in time, its grand plans for the carpet market could be stalled for another year.

Benn opens left attack in Labour defence row

By Michael Cassel

MR TONY BENN, the Member of Parliament for Chesterfield who is challenging Mr Neil Kinnock for the leadership of the British Labour Party, yesterday accused Mr Kinnock of attempting single-handedly to change Labour defence policy.

His remarks, which are certain to be echoed by the party's left wing during the leadership election, followed Mr Kinnock's assertion at the weekend that the principle of "something for nothing" unilateralism was now redundant.

Mr Benn will today unveil details of the second annual socialist conference, due to be held in his constituency on June 11 and 12, together with discussion papers which will form the basis for left wing campaigning during the leadership contest.

The conference, which could attract more than 2,000 delegates, will inevitably provide a platform for Mr Benn's campaign. Issues to be discussed include the role of public ownership, wider economic issues, policies for the inner cities and new rights for trade unions.

Commenting on Mr Kinnock's suggestion that support for unilateral nuclear disarmament was no longer appropriate, Mr Benn accused the party leader of undermining Labour's credibility by appearing to overturn agreed policy in the search for electoral support.

He claimed that British voters no longer had the slightest idea of what the Labour Party stood for. As a result, the Conservative Party was still ahead in the polls, despite the Government's problems over proposed changes to local taxation, the recent budget and the National Health Service.

Eventually, he said, there would be no difference between the Labour and the Conservative Party, where the leader traditionally made policy. On a whole range of policies, Mr Benn claimed to see a "coalition" in parliament, within which the Labour leadership tacitly supported the Government.

Mr Benn added: "Our problem is not that we have not been able to persuade the electorate over the past three general elections; it is that we have not been able to persuade our own leadership to support policy we have agreed on."

New Issue June 7, 1988

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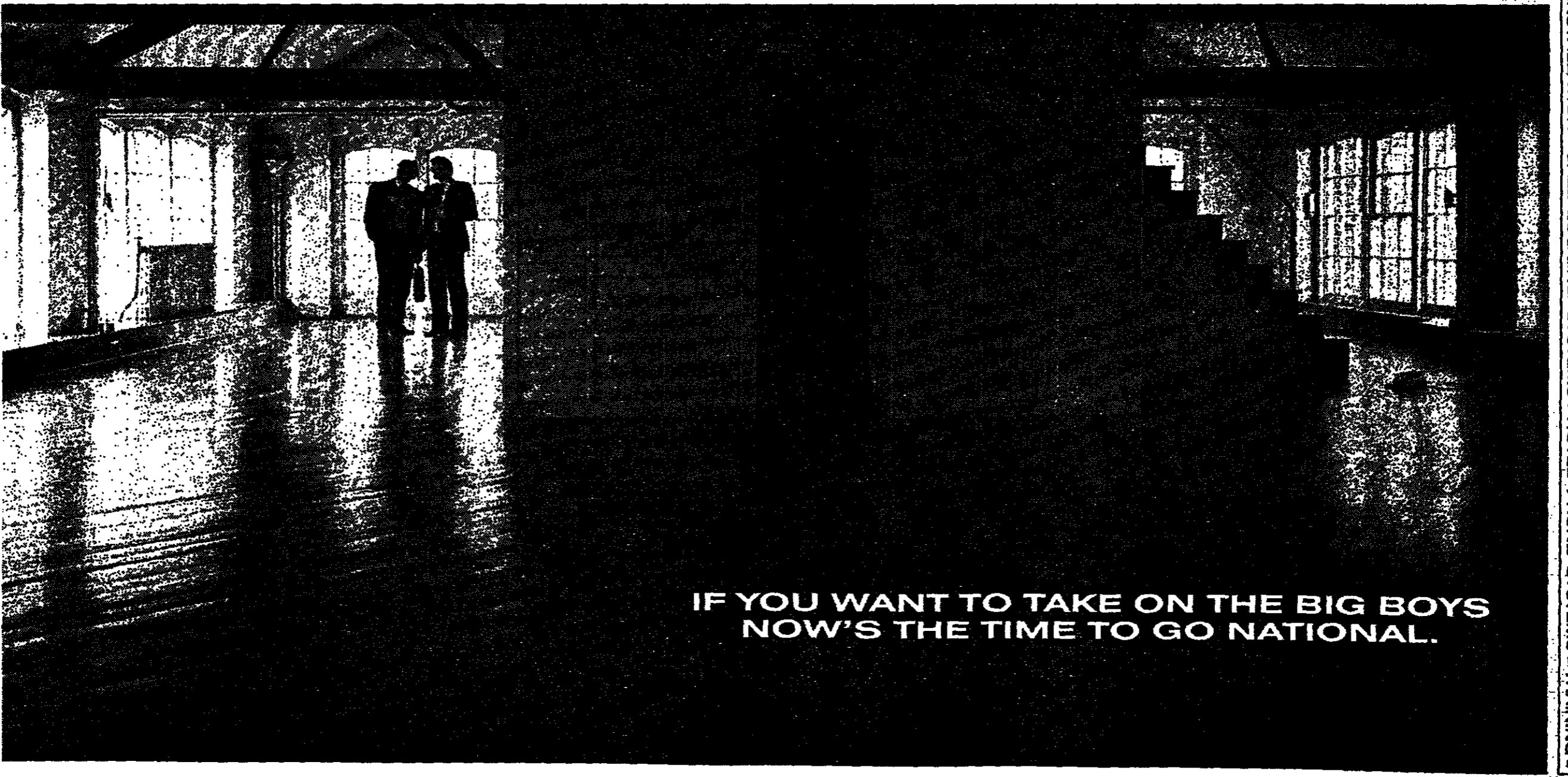
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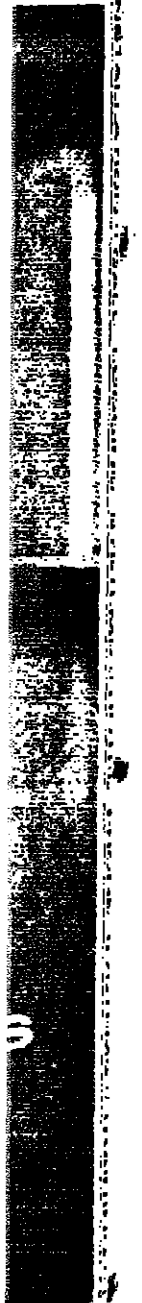
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APPOINTMENTS

CONTRACTS

Finance director of the ASDA Group

Mr Edward Lea, finance director of the ASDA GROUP, is to resign from the board after the annual meeting in September. He will be succeeded by Mr Ronald Scott, finance director of ASDA Stores. Mr Graham Stow will replace Mr Lea as joint managing director of ASDA Stores, with responsibility for distribution and management information services.

Mr Les Tench, managing director of Steeley Brick & Tile, has been appointed chairman of THE BRICK DEVELOPMENT ASSOCIATION.

Mr Peter Goldie, chief executive of British & Commonwealth Holdings, has been appointed a non-executive director of CALA. B&C has a 16 per cent holding in the company.

Mr Alan J. Birch (Sun Alliance Insurance Group), chairman of The Salvage Association, has been elected chairman of the ASSOCIATION OF AVERAGE ADJUSTERS.

HARVEY PLANT has appointed Mr Peter Cosgrove as managing director. He joins from a sister Lex company, Lex Electronics Europe, where he was personnel director.

Mr Kenneth B. Sinclair has been appointed a director of Barclays Bank and BARCLAYS PLC from July 1. He has been a director of Barclays de Zoete Wedd holdings since its formation in 1986, and

was a senior partner of de Zoete & Bevan.

Mr Mike Freshney has been appointed to the board of CREST NICHOLSON as director responsible for residential development. He is managing director of Crest Homes, a post he retains.

Mr Richard Brett has joined the CIVIL AVIATION AUTHORITY as group director finance and management services. He joins from DataTech, a subsidiary of Thorn EMI, where he was finance director.

Mr Clive Chapman has been appointed group finance director of ITL INFORMATION TECHNOLOGY. He joins from P&O, where he was group financial controller.

AIRTOURS has appointed Mr Harry Coe as finance director.

Mr David Fraser and Mr Tony Budd have been appointed associate directors of EUROPL responsible for the Manchester office. They were main shareholders and directors of INDAB Management Services which was acquired by Europl on June 1.

UNITED TRANSPORT CONTRACT SERVICES, a HET company, has appointed Mr Peter Davies as commercial director, with responsibility for sales and marketing. He has been with the group for over 25 years.



Mr Edward Lea has been appointed chief executive of RHM OUTHWAITE HOLDINGS. He was finance director of RHM Outhwaite (Underwriting Agencies), and his appointment is made in preparation for a restructuring of the Outhwaite Group into separate operating subsidiaries later this year. Mr Stephen Mitchell, former senior partner of City solicitors Elborne Mitchell, is appointed a director of RHM Outhwaite (Underwriting Agencies). He will join the holding company board following the proposed restructuring.

At BARONSMEAD ASSOCIATES Mr Paul Borrett, formerly head of the worldwide corporate division of Barclays Bank, has become chairman. Mr Dick Horsnell, formerly managing director at Philips Business Systems, has been made an executive director.

Mr Peter C. Jones has been appointed company secretary of HSS HIRE GROUP, the hire service company of John Mowlem and Co. He joins from Otis Elevator where he was company secretary.

Mr John J. Lee, head of BEAMA's technology division, has been made a director of the BEAMA FEDERATION and becomes director, technology.

Mr Peter Easby has joined HEALEY & BAKER as one of its managing partners. He has also been appointed to the board of

Senior post at TSB

TSB GROUP has appointed Mr Healey & Baker Financial Services as managing director. Mr W.T. Dancer has been appointed to the board of COL-OUR LIBRARY BOOKS.

KITCHEN RANGE FOODS has made two board appointments: Mr David Scott has become finance director and Mr Bob Malindine, currently operations director, managing director-operations.

BWD SECURITIES has appointed Mr Christopher Addenbrooke as director in charge of company registration service subsidiary, Northern Registrars.

Mr Mike Nowill has been appointed managing director of TALKLAND. He was previously managing director of Designcall, a company which was acquired by Talkland in early 1988.

ALEXANDER STENHOUSE UK has made Mr Terry Miles an associate director-international department.

Mr Anthony Davenport has joined RICHARD ELLIS as finance director. He was chief manager (financial control) at Lloyds Bank.

TEMPLETON UNIT TRUST MANAGERS has appointed Mr Alistair T. Galloway as compliance manager. He was with Adam & Co. Mr David B. Cullen has been appointed an investment analyst. He was with British Investment Trust.

London hotel refurbishment

SIR ROBERT McALPINE & SONS has been awarded a £4.5m contract by Crest Hotels for the extensive refurbishment of the Bloomsbury Crest Hotel, London. The contract covers refurbishment of the ground and first floor public rooms, provision of a restaurant, bar and foyer and construction of an additional floor of bedrooms at roof level. A tower crane has been installed in the centre of the hotel and the floors and basement of the five-storey strengthened to take the additional loading. The hotel will remain operational throughout. Work will include installation of a lift, and a marble-clad frontage with canopy.

ALLEN-FOX CONSTRUCTION, design and build division of Wigan-based Allen Group has won orders worth £6m for contracts in the North West and Wales. These include developments at The Kings School, Chester, value £1.4m; factory units at Skypark, Speke, value £1.2m for English Estates; industrial development at Swansea, value £1.2m for Enterprise Zone Developments; warehouse extensions at Whitefield, value £700,000 for James Halstead; and an office development at Salford Quays for an associate company, Allen Commercial Developments.

JOHN E. WILTSHIER GROUP has secured orders worth more than £19m. The largest is a £6m building contract for a large pharmaceutical company. In Gillingham, the company has won two contracts. Grosvenor Development Hotel for Embassy Hotels, at opments has awarded a £3.7m contract to build six high-technology office units in the Gillingham Business Park. In Pier Road, the company is building a £1.5m head office for Akzo Chemicals. A £3.7m contract has been placed by the Property Services Agency to construct junior ranks single living accommodation building at RAF Manston, in Canterbury. The company has signed a £3.2m contract with Ford dealer Invidia Motors, to construct a sales and service complex. Work has started on the 90-week contract. Wiltshier is building a £2m bowling centre in Bexleyheath for Carter Commercial Developments, and has been awarded a further £580,000 contract to fit out the superpool for its occupiers, First Leisure Corporation.

British Gas pipeline

R.J. MAXWELL & SON, Coleraine, Northern Ireland, has been awarded three contracts totalling £6m. The first phase of the dualing of the A26 (Aitrim/Ballymena) trunk road for the Department of the Environment comprises construction of a carriageway and resurfacing for 4.5 km starting at Dunsilly roundabout on the M2, for completion by the end of 1988. Two contracts for resurfacing of airfield runways at RAF Valley/Mona in North Wales and at RAF Abingdon, Oxfordshire, have been awarded by the Property Services Agency.

ALFRED McALPINE CONSTRUCTION has been awarded six contracts totalling more than £6m. A contract from British Gas is for construction of 24 km of 600mm diameter welded steel pipeline between Barrington, near Limerick, Somerset and Cudleigh, near Honiton, Devon, valued at more than £3m. Further contracts include refurbishment of a services bridge, for British Nuclear Fuels, at Sellafield, (£1.1m); and a single-storey leisure centre with basement, including swimming pool, steel-framed roof, and brick walls, at the Abbotswell Hotel for Embassy Hotels, at Chester, (£823,000).

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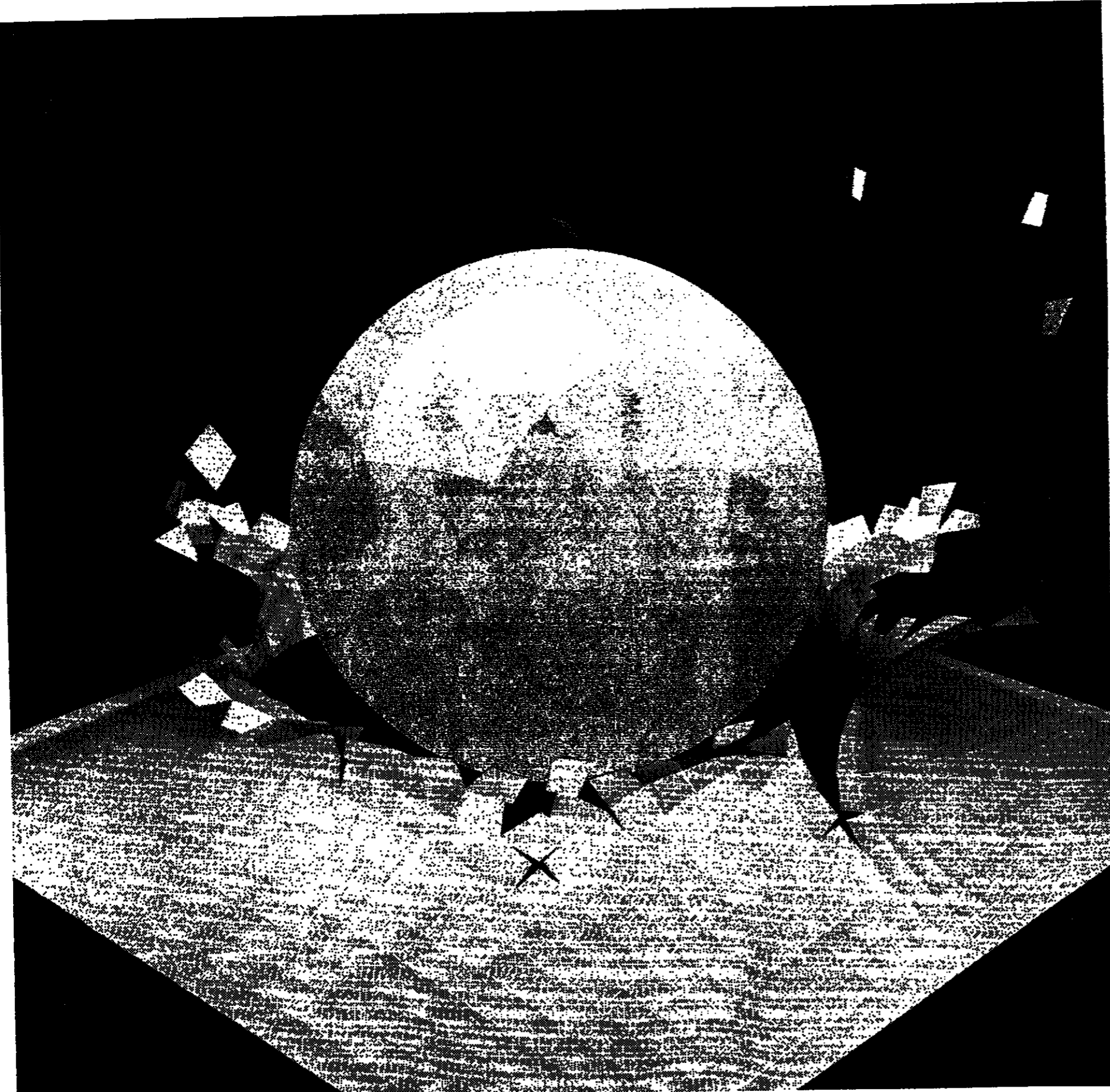
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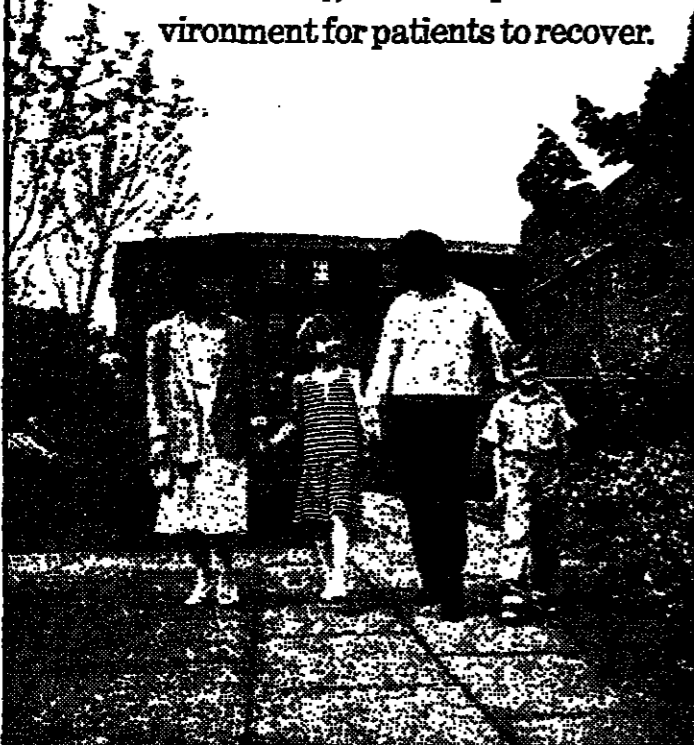
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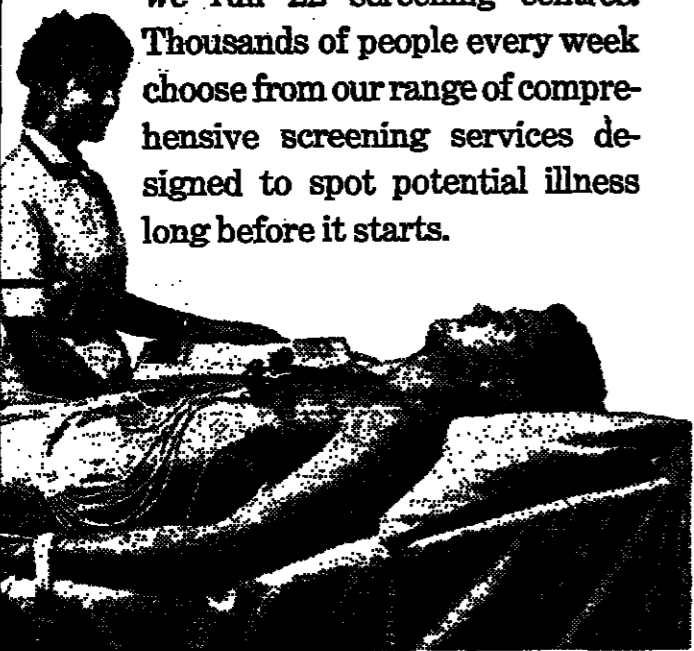
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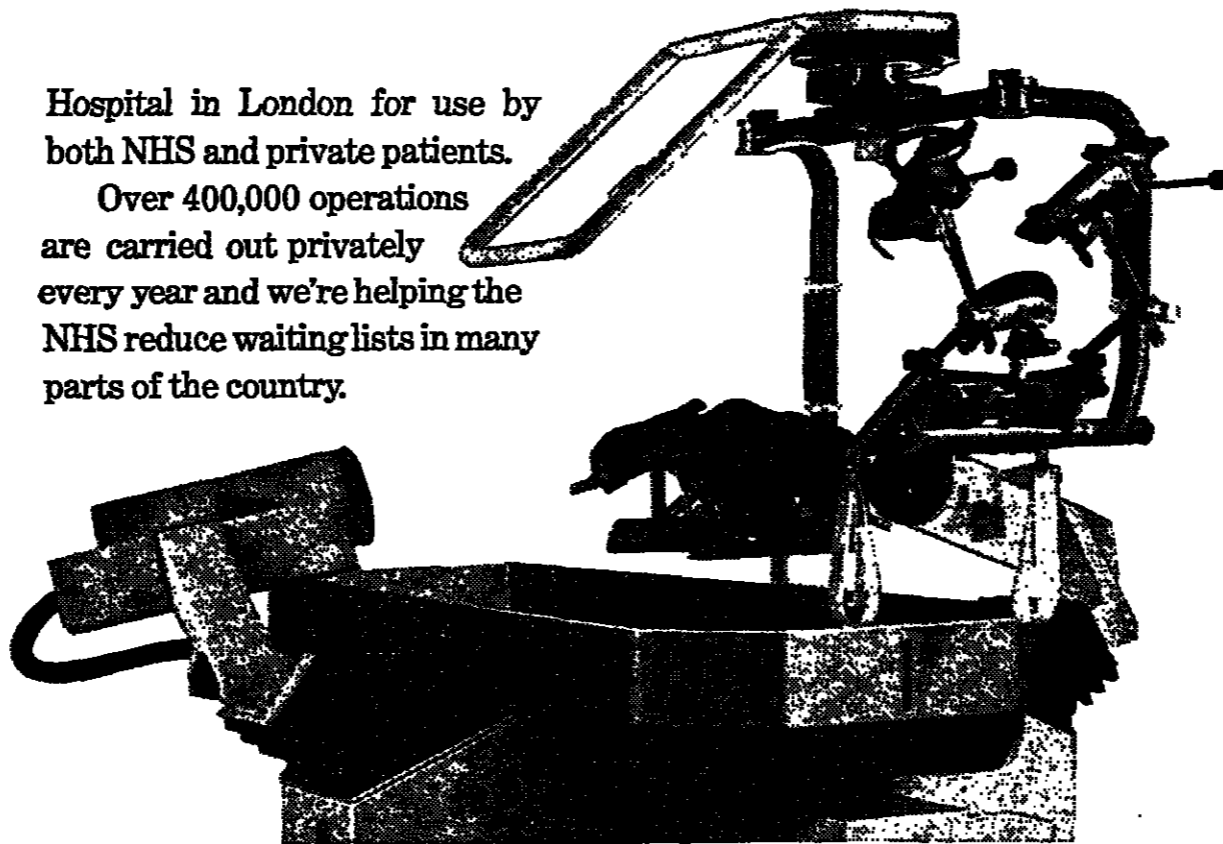
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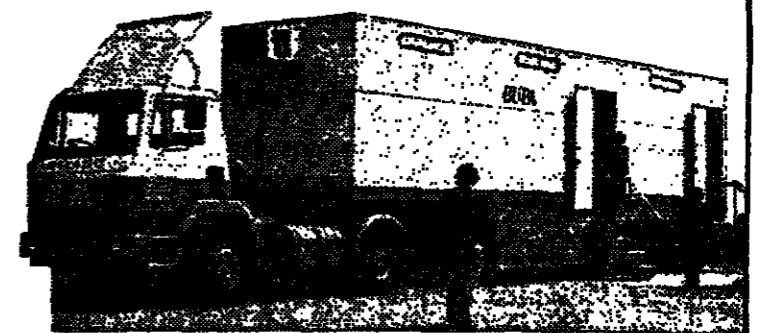
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FINANCIAL TIMES

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Tuesday June 7 1988

The French conundrum

IT IS always dangerous in a democracy to take an election result for granted. When governments do it, their complacency can provoke floating voters to turn against them.

Mr Michel Rocard's Government had more excuse for complacency than most, being newly appointed by President Mitterrand.

In theory that would not be the same thing as a Socialist landslide but in practice the single-member constituency system would almost inevitably turn it into one.

Absent voters An unprecedented number of them - 34.3 per cent - failed to show. Of the votes that were cast, the supporters of Mr Mitterrand...

It is a matter of different rates of abstention among different parties' supporters. Yet the result of the decisive second ballot next Sunday may well depend on the answer to that question, since many of last Sunday's abstainers will probably turn out now that the race has got so much closer and more interesting.

Frame of mind It still seems unlikely, though no longer unimaginable, that the outgoing conservative majority might seek in the process to construct a new centre-left majority cutting across the present party lines.

He will also seek to do that in the more likely event of a narrow Socialist victory next Sunday, possibly using the argument that the candidates must join the majority if they do not wish to force the Socialists back into alliance with the Communists.

By contrast the extreme right-wing National Front has fallen back spectacularly from the 14.6 per cent gained in April by its leader, Mr Jean-Marie Le Pen, to a mere 9.7 per cent, while the Communists have recovered no less spectacularly from 6.9 to 11.3 per cent.

Fading zeal for tax reform

THE THATCHER Government's third term is barely a year old. Yet enthusiasm for tax reform already appears to be waning.

THE Chancellor does not make the mistake of equating tax reform with reductions in tax rates, although he evidently takes considerable pride in the latter. Indeed, the pamphlet shows traces of the supply-side favour that once engulfed Washington. Income tax cuts, it asserts, have succeeded in shifting the burden of income tax from the great mass of the population to the better off.

Spreading load This egalitarian spreading of the load might seem calculated to irritate the libertarian wing of the Tory Party. Fortunately for them, it is not quite what it seems.

distribution of the tax burden also reflects other factors, such as the negative impact of higher unemployment on the incomes of the poor.

Fiscal neutrality Mr Lawson does not doubt the merits of tax cuts, but he is surprisingly ambivalent about "fiscal neutrality". He pokes fun at the "purist" tax reformer and ridicules the "level playing field fanatic."

Mr Lawson's successor will need to worry less about getting tax rates down - the Chancellor thinks most people will consider a top rate of 40 per cent reasonable - and more about levelling the tax base.

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Chris Sherwell looks at the record of Alan Bond, aggressive Australian entrepreneur

Testing time for the tall poppy

AN AUSTRALIAN merchant banker was once asked what he thought of the Perth entrepreneur Alan Bond. "He is one of those almost unique fellows," the banker was reported to have replied, "who measure wealth in the amount they can borrow rather than the amount they have."

Just how much Alan Bond is in debt to his creditors, no one except perhaps Mr Bond himself knows. But it is a question many people are asking following the mercurial 50-year-old financier's latest business foray yesterday - a \$850m (£368.7m) bid for Mr Robert Holmes à Court's Bell Group.

Brewing is the empire's great cash generator, against which it raises the bulk of its borrowings

the Bond empire. It put the group's liabilities at a heavy \$24.7bn-AS\$5.2bn and shareholders funds at AS\$1.8bn. But the latter figure included AS\$700m of convertible bonds.

What is more, the analysis said nothing of the debt of Dallhold Investments, the family company through which Mr Bond controls 51 per cent of Bell Corporation. Dallhold is a private company and comprehensive figures are not available.

According to some analysts, Mr Bond is now Australia's most highly leveraged entrepreneur. At the weekend, one commentator even ventured a figure of AS\$50n. If that is a surprise, what does seem large, you have only to look at the succession of corporate moves made by Mr Bond over the past 18 months to understand why this might be so.



Alan Bond: after a false start in oil he moved into brewing and has never looked back

On top of this Mr Bond has a network of Australian radio stations, the direct broadcasting Sky Channel service to Australian pubs, a 30 per cent stake in Hong Kong television, 25 per cent of TV-am in Britain and 25 per cent of the British Satellite Broadcast consortium, which has a 15-year franchise to provide four new television services in the UK.

Mr Bond has a number of other interests - a 75 per cent-owned joint venture to sell South Korean Hyundai cars in Australia, for example, 48 per cent of Airship Industries, which has a US\$170m contract with Westinghouse to produce airships for the US Navy, and a stake in the Perth merchant bank Bell Resources.

He is remembered by companies which have crossed his path - like Thorn EMI, which sold him its Screen Entertainment division, and like Cannon Films, which bought the division from him.

But it is in resources that some of his most interesting developments are now expected. Bond Corporation has oil exploration and production interests in Australia, the US, Papua New Guinea, and China.

Over recent years Mr Bond has built up a complicated pyramid of controlling interests in numerous Australian gold companies - Mid-East Minerals, Metals Exploration, North Kalgoorlie Mines, Gold Mines of Kalgoorlie, Kalgoorlie Mining Associates and Kalgoorlie Lake View.

These are controlled through Dallhold Investments. Last August Mr Bond went further, acquiring St Joe Gold Corporation of the US from Fluor Corporation for US\$ 500m.

Full details are awaited. But the notation is being handled by Goldman Sachs, and the new group is likely to be listed in New York, London and Tokyo as well as Australia.

After a false start in oil, he moved into brewing and never looked back. Long before he won the America's Cup in 1963 to become a national hero, the company was back on an even keel.

Five years of unrestrained expansion later, he has the chance to become the undisputed corporate colossus of Western Australia, and perhaps the country's most powerful entrepreneur.

Many are therefore anticipating his fall. Some banks, brokers and investment institutions will not go near him for the risk and uncertainty involved.

All told, the strain on Mr Bond's finances may never be greater than now. The next few weeks will be his most demanding test yet.

Challenge of the channel

Three new Channel swimming records could be set this year if all goes to plan which very rarely happens in this masochistic challenge mastered by an elite band of 220 men and 106 women.

That should go this year if the man who has most of the other records, 23-year-old New Zealander Phillip Rush, can repeat the form which last year took him to only the second three-way crossing.

This year could also see the first crossing by a septuagenarian when the 71-year-old American, Ashby Harper, attempts to regain the oldest swimming record from Australian Clifford Batt who at 63 beat the record Harper set as a 65-year-old.

Most swimmers do the front crawl, but Jacques Bayle has booked an August attempt to be the first person to swim it backstroke.

About 70 to 80 people register attempts with the Channel Swimming Association every year and of those about 60 set off and 25 to 30 make it. The main expense is the £200 for a pilot boat.

Warburg's new face

Warburg Securities has been stepping out a bit lately. The firm used to pride itself on never advertising. Recently, however, ads have started appearing.

York's sounds and smells expertise in which visitors are transported through Viking times in little carts.

Smells are included here too, according to project designer Tony Lawrence who says that burning smells for the Great Fire of London and the whiff of fish for the quayside scenes will help to add realism.

Antique lobby There is some excitement in the antiques world at the rumour that Margaret Thatcher was visiting the Grosvenor House Antiques Fair in London this week.

City smells The Mazawattee Warehouse which once dominated Tower Hill and the Church of All Hallows was destroyed by bombing in the second world war.

King of the Queens

Owen Oyston, the Lancastrian businessman who stepped in briefly, but unsuccessfully, to rescue the left-wing and determinedly non-sexist News on Sunday newspaper, is no stranger to the world of beauty contests.

His former wife, Vicki, was crowned Miss Blackpool and made the finals of the Miss United Kingdom contests. The couple were married in 1962, and according to him have remained friends since their divorce.

Oyston is now set to become King of The Beauty Queens as chief executive of the Miss World Group, following the agreed merger with his commercial radio group Red Bee Radio.

Late for tea Sign in a café in the South of France: Four o'clock tea à cinq heures.

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OMEGA Significant Moments advertisement featuring a watch and text: OMEGA ALWAYS MARKS SIGNIFICANT MOMENTS. IN THE OLYMPICS. IN THE SPACE PROGRAM. IN SIGNIFICANT LIVES LIKE YOURS.

Voting rights are still restricted

From Mr Trevor Russel. Sir, The Government's intention to ease restrictions on the voting rights of British citizens living overseas by extending the present cut-off period beyond five years is welcome, of course. But why are ministers still refusing to do the obvious (and right) thing: abolish the time limit altogether?

This man's art and that man's scope

From Mr K.T. Shute. Sir, Disting in fine arts has always been a competitive business. However, I did not realise how far some of our competitors were prepared to go in order to attract new custom until I read of an art gallery which appears to provide...

Limited deficit clause introduced

From Mr J.C.V. Lang. Sir, Mr Tom Benyon doubts (Letters, June 2) that any Lloyd's of London agent would introduce voluntarily a profit commission deficit clause. We would point out that this agency voluntarily introduced a limited deficit clause after the 1988 account loss of syndicate 582.

Lords of our far flung battle line

From The Marquess of Alisbury. Sir, Perhaps it will reassure Mr Stanley Best (Letters, May 25), who worries about insufficient independence in the House of Lords, if I reveal that part of Lord Ponsbury's problem is that socialist reinforcements sent up to the front do not invariably remain within the socialist trenches.

'Like two front legs competing with two back legs in order to run faster'

From Mr A.R. Cooper. Sir, So the tabular have come down from the mountain, and a White Paper on electricity 'privatisation' has been rushed through. The proposals, so far as they are concerned, would be hilarious if they were not so devastatingly disturbing and impractical.

From Mr J.W. Baker. Sir, In their report, 'Coal on the Market: Can British Coal Survive Privatization?' Mr Prior and Mr McCloskey state that the Central Electricity Generating Board (CEGB) would not achieve a £750m saving from importing 30m tonnes of coal.

Letters to the Editor

Let us above all be objective

From Mr A.H. Hart. Sir, I welcome a vigorous debate about the future of the south east region of the UK if it leads to a more active Government approach to regional issues. I am a strong supporter of the Government, but I do wish it would do the whole rather than the part of 'Green Belt'...

My main disagreement with the 'stop development' lobby is its assertion that current trends will lead to the unification of the whole region. In Kent we are supposed to be in danger of 'building until you reach the sea'.

Government has abolished the last land tax - the rates - but not so foolish to imagine the significant effect a straightforward direct land value tax would have had on land - and thus house prices.

Land rationed by price

From Mr V.H. Blundell. Sir, Your editorial on the surge of house prices (May 31) does much to throw light on the direct land value tax would have had on land - and thus house prices.

Theft should not be tolerated

From Mr Bruce Gifford. Sir, At last it appears that British businessmen are taking the problem of employee theft and fraud seriously. ('UK company fraud costs £5bn', May 31).

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Déjà vu in radio industry development

From Mr Paul Boon. Sir, News - if correct - that the Government is now unable to allocate enough time in the next Parliamentary session for a Radio Broadcasting Bill, is more than a little inconvenient.

As we enter the second decade of a grossly distorted independent radio market void of effective competition, we have obviously failed in our objective to convince ministers of the size of the problem.

It is as if Government is making it deliberately difficult to raise investment because the goal posts regarding the timetable keep changing.

From Mr A. Edwin Stevens. Sir, The international air travel survey, European Data and Research Report, mentioned in your issue of May 28, states that European travellers are sceptical of the value of 'first' and 'business' class seats.

Class warfare simplified

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Employers are far too complacent about dishonest staff. Experience confirms my belief in the ET-ET formula (employer tolerance equals employee theft).

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PERHAPS the greatest surprise of last week's Moscow summit was that President Reagan turned out to have meant it when he said beforehand that, for him, human rights was the first item on the summit agenda.

In the first place, arms control, the traditional centrepiece of superpower summery, was not ripe for another major push. Contrary to what both Mr Reagan and Mr Gorbachev claimed to hope when they parted in Washington last December, the strategic arms reduction treaty is not yet ready for signature, and it would clearly not be in the US's interest for Mr Reagan to appear to be in too much of a hurry to sign it before he leaves office.

The other two headings on the US-Soviet agenda, as presented by the US, are 'regional' (Third World) conflicts and bilateral issues. Undoubtedly in both these areas there has been significant progress, and a lot of the serious talking at the summit must have been devoted to them.

As for bilateral relations, that is an area where any improvement tends to be seen in America as a concession by the US, unless clearly related to an improvement in the Soviet performance on human rights.

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FOREIGN AFFAIRS

Tête-à-tête, toe to toe

Moscow has fulfilled all its obligations under the Helsinki Final Act. Had Mr Reagan wished to pretend otherwise he would have exposed himself to instant ridicule by people like Natan Shecharansky. Mr Shecharansky pointed out in the New York Times just before the summit that one of his former colleagues is still in prison precisely for trying to monitor Soviet compliance with the Helsinki accord, while another is still serving a sentence for protesting against the banishment of Andrei Sakharov, even though Dr Sakharov himself is not only back in Moscow but accorded the facilities of the Soviet foreign ministry for a press conference.

Edward Mortimer defends President Reagan's decision to emphasise human rights at last week's summit

meeting with its leader on neutral ground, or even in welcoming him to your own house. The spectacle of 'grandpa Reagan' joining the war of world communism for a walkabout and baby-kissing session in Red Square was foreseeable and inescapable. So was the message which that spectacle would carry. Clearly Mr Reagan was going to have to unsay, or at least declare no longer operative, his remarks about the 'evil empire' - though ironically it was not a Soviet but a British journalist, Xan Smiley of the Daily Telegraph, who obliged him to do so explicitly.

embassy in Moscow) continues to rise every month - in May it was over 1,100 - while the number who actually go to Israel has now fallen to under 10 per cent.

There is clearly a danger that the use of Israeli visas as a transparent escape route to the West, where many other Soviet citizens would love to go if they could, will fuel the revival of Russian anti-Semitism, and it would appear that Israel and the Soviet authorities have a common interest in restricting the issue of visas to those genuinely anxious to settle in Israel - something which could no doubt be negotiated once Soviet-Israeli diplomatic relations are restored.

But that is hardly a valid argument for dropping the human rights issue as a whole, and if it were Mr Reagan would hardly be the man to take it up. Meanwhile, cases where foreign pressure clearly is effective continue to multiply: the latest being the last-minute granting of visas to Israeli and British lawyers to attend the International Bar Association conference in Moscow, when the organisers made it clear they were prepared to cancel the scheduled session on human rights unless all the participants were able to attend.

The idea that Mr Gorbachev should be given a break while he slugs it out with his conservative opponents at home is all the more seductive for being assiduously peddled, not - it should be noted - by Dr Sakharov, but by some Soviet officials who present themselves, perhaps quite sincerely, as his supporters. Yet for the time being it remains true that such freedom as Soviet citizens enjoy is conceded to them more or less grudgingly by the Communist Party, and that while Mr Gorbachev is trying to widen the circle of party members who decide these things he has so far had only limited success.

Within that circle as at present constituted there is obviously no consensus about how much further glasnost should go, or even whether (as Mr Ligachev keeps hinting) it has already gone too far. By contrast there is, as far as one can tell, a very broad consensus on the desirability of lowering international tension and cultivating better relations with the West. If only in order to relieve the pressure on the Soviet economy.

That being so, the need to keep the international atmosphere harmonious must provide Mr Gorbachev with one of his most powerful arguments for continuing liberalisation at home. If that is indeed what he wants to do, continued Western pressure for broader and more secure human rights must objectively be in his interest (as old-style Soviet writers would put it), however irritating he may find it on a day-to-day basis.

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THE TRENCH CONNECTION

CONSTRUCTION EQUIPMENT

SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Tuesday June 7 1988

IVECO

TRUCK
 BRITAIN'S INTERNATIONAL TRUCK MANUFACTURER

UK SUGAR REFINER RECOUPS NEARLY HALF OF ACQUISITION COST

Tate & Lyle sells Staley food subsidiary for \$700m

BY CLAY HARRIS IN LONDON AND RODERICK ORAM IN NEW YORK

TATE & LYLE, the UK sugar refiner, is to recoup nearly half of the \$1.48bn it spent to buy Staley Continental, the US corn syrup group, by selling Staley's food services business for \$700m to Sysco, the largest US food distributor.

The disposal was announced yesterday, even before the official completion of Tate's own acquisition which is due later today. The addition of CFS Continental, the second largest US food services group, will increase Sysco's national market share to an estimated 8 to 9 per cent.

The sale price, considerably more than Tate's conservative estimate of more than \$500m made during the takeover battle, was broadly in line with analysts' estimates.

The rapid agreement with Sysco enabled Tate to abort a planned auction by Morgan Stanley, the US investment bank.

"We told them what we wanted, and they said 'you're on,'" Mr Neil Shaw, Tate chairman, said yesterday in Decatur, the small Illinois town to which Tate plans shortly to return Staley's headquarters after three years in suburban Chicago.

The disposal will markedly improve the financial benefits of the takeover for Tate, which today will activate the second tranche of its partly paid £208m (\$275m) rights issue of convertible preference shares. In London, Tate shares closed 20p higher at 79 1/2p.

The acquisition by Houston-based Sysco will increase its annual revenues by more than 50 per cent to about \$6.5bn and reinforce its leading position in food distribution to restaurants, hotels and institutions. It will also strengthen Sysco's presence in California and the Midwest.

One of CFS's main lines of business is distribution to fast-food restaurants. The McDonald's hamburger chain currently accounts for 16 per cent of its turnover.

Staley acquired CFS in 1984 for more than \$350m, although the exact price was not disclosed at the time. Tate declared from the outset its intention to sell CFS in order to return Staley to its more profitable core business of sweeteners.

CFS's revenues of \$1.27bn accounted for 75 per cent of Staley's turnover in the six months to March 31, but its operating earnings of \$17.9m were only 35 per cent of the total.

In the year to June 1987, Sysco achieved a margin on sales of 3.7 per cent, nearly double the 2 per cent reported by CFS in its most recent complete financial year.

Lex., Page 24

KIO seeks 10% stake in Canadian paper group

By Robert Gibbons in Montreal

THE KUWAIT Investment Office, one of the world's largest investors, is offering almost \$200m (US\$163m) for a 10.3 per cent equity interest in Consolidated-Bathurst, the big pulp and paper and packaging group 40 per cent controlled by Mr Paul Desmarais, the Montreal financier, through his Power Corporation of Canada.

Consolidated-Bathurst owns the Bridgewater newsprint mill near Liverpool and has joint venture projects for pulp and paper mills in both China and the Soviet Union.

KIO is offering C\$19 a share for 16.6m common shares for Consolidated-Bathurst, with Gordon Capital Corporation as dealer manager for the offer. The price is about \$3 a share above last week's market level.

Consolidated-Bathurst has two classes of common shares, the only difference being that one pays dividends in cash and the other in kind.

Generally speaking, Canadian pulp and paper stocks are considered undervalued, mainly because of the threat of an economic slowdown after the American election.

Power Corporation will not tender any of its Consolidated-Bathurst stock under the KIO offer. KIO plans to enter a voting trust agreement with Power for a minimum five years. Both will put their Consolidated-Bathurst shares into a nominee company.

KIO will elect two nominees to the Consolidated-Bathurst board. Power has the right of first refusal on KIO's Consolidated-Bathurst stock after five years.

By midday on the Toronto Stock Exchange, Class A shares of Consolidated-Bathurst were up C\$ 1/2 at C\$15 1/2, adding to last week's C\$1 1/2 gain.

Red Rose romance sealed for £13m

BY PHILIP COGGAN IN LONDON

MR OWEN Oyston presented Mr Eric Morley with a Red Rose yesterday; Mr Morley gave Mr Oyston Miss World. The corporate romance will be sealed, not with a ring, but more prosaically with shares worth £13.6m (\$24.4m).

An agreed merger between Mr Oyston's Red Rose commercial radio company and Mr Morley's Miss World beauty contest group seems, on the surface, to present an unlikely case for corporate synergy: a beauty parade is hardly the most natural radio subject.

But like many a young couple in the early stages of togetherness, Messrs Oyston and Morley were yesterday excited about their future.

"We hit it off immediately," said Mr Morley, who will remain chairman of the enlarged company. "We established a great rapport," said Mr Oyston, who will be chief executive.

Mr Oyston said the potential benefits of a link-up were substantial: "Both companies operate in the world of entertainment and both are heavily involved in sponsorship."

If the merger is approved by shareholders and the Independent Broadcasting Association, the radio and television watchdog, the enlarged group will move from the Unlisted Securities Market to the main stock market and change its name.

The vital statistics of the deal are that Miss World is offering three of its shares for every eight in Red Rose. Full acceptance of the offer will involve the issue of 4.35m Miss World shares, which were yesterday suspended at 310p. Red Rose directors will end up with

30 per cent of the new group.

To describe the principals in official Miss World jargon, Mr Oyston is 54, has a goatee beard, collar-length locks and wants to build a substantial leisure group. Mr Eric Morley is 39, has Brylcreemed dark hair, and has already fulfilled Mr Oyston's ambition - he was chairman of Mecca Entertainment until 1978.

Yesterday, the company, which is traded on a matched bargain basis, forecast after-tax profits of £800,000 for the year to September.

Macmillan independence tested by improved \$2bn Bass attack

BY RODERICK ORAM IN NEW YORK

WITH WALL Street expecting further rounds in Macmillan's fight to remain independent, shares of the US publisher rose yesterday above the revised takeover offer from Mr Robert Bass, the Texas investor.

The New York-based company, one of the last big independents, said it would consider later this week Mr Bass's \$73-a-share, \$2bn offer made at the weekend. Macmillan's shares gained \$2 to \$73 1/2 by early afternoon.

Mr Bass offered alternatively to restructure Macmillan along the lines proposed by its management last week. His group of investors would pay a special cash dividend, however, of \$58 a share against \$52.35 under the

company's plan.

Their main condition is that they be allowed to buy shares in the restructured group on the same favourable terms as its management.

Macmillan proposed splitting itself into two publicly traded companies, Macmillan Publishing and Macmillan Information. Management and employees would own 36 per cent of the former and management about 39 per cent of the latter. Mr Bass's group offered to pay cash for shares equal to the same stakes.

Macmillan has yet to unveil full details but it appears that Mr Edward Evans, chairman, Mr William Reilly, president, and two other senior officers would

receive large blocks of Macmillan information shares in exchange for surrendering stock options and unrealised stock profits in the existing company.

Analysts have found it hard to value Macmillan's restructuring plan because, in addition to the cash dividend, shareholders would receive stock in the new information company and retain their old Macmillan shares. The company said it was superior to Mr Bass's original offer last month of \$64 a share while analysts' estimates run as high as \$75.

Sold piecemeal, however, the group may be worth closer to \$80 a share.

Amax plans poison pill bid defence

By Kenneth Gooding in London

AMAX, the US natural resources group which last year made its first profit since 1981, has adopted a "poison pill" scheme to help ward off unwanted bids.

The company will implement a stock purchase rights plan which will be triggered only after a third party acquires 30 per cent or more of Amax or announces a tender or exchange offer to acquire 30 per cent.

Mr Allen Born, president, said the adoption of the plan was consistent with actions "taken by many other leading US corporations". It is not in response to any effort to acquire control of Amax.

"Rather the plan was adopted in order to ensure that the board would be able to proceed in the best interests of Amax and its shareholders if an unsolicited acquisition is attempted in which shareholders would not realise fair value for their shares."

Among other things each Amax share will carry the right for the holder to buy one-half of an Amax share for \$35 compared with the recent price of about \$20 a share.

Kluge backing for \$1bn fund

BY JAMES BUCHAN IN NEW YORK

MR JOHN WERNER KLUGE, the 74-year-old German immigrant film director, is backing a crowd of new \$1bn fund to invest in the field of fashioning Wall Street business lucrative business of helping of taking companies private in managements buy their leveraged buyouts.

Mr Kluge, who made his vast fortune largely through taking his Metromedia broadcasting Montgomery Ward, AFG and empire private in 1984 and liquidating it, will be by going deeply into debt to buy one of three general partners who will run the new firm, which is called Kluge Subotnick Perkowski.

The other two are Mr Stuart media, and Mr John Perkowski, he said the firm would get who until yesterday was head of investment banking at PaineWebber, the Wall Street broker.

The new fund, which on 74-year-old German immigrant film director, is backing a crowd of new \$1bn fund to invest in the field of fashioning Wall Street business lucrative business of helping of taking companies private in managements buy their leveraged buyouts.

Already this year such competition as American Standard, recently assumed control of Orion Pictures, the Hollywood studio, and bought the Ponderosa steakhouse group.

Together with Mr Subotnick, he is putting \$100m into the fund with the remainder coming from institutional investors.

months of eager speculation on Wall Street about what Mr Kluge, who bought his first radio station in 1946, would do with the spectacular profits from the sale of Metromedia's radio and television stations and other communications businesses.

Mr Kluge and his friends paid \$1.6bn to buy out other shareholders in 1984 and realised \$3bn after taxes from the liquidation.

Mr Kluge, who is thought to be the richest American after Mr Sam Walton of Wal-Mart Stores, recently assumed control of Orion Pictures, the Hollywood studio, and bought the Ponderosa steakhouse group.

Together with Mr Subotnick, he is putting \$100m into the fund with the remainder coming from institutional investors.

Repsol pays \$276m for stake in N Sea

BY PETER BRUCE IN MADRID

REPSOL, the state-owned Spanish oil conglomerate due to be part-privatised early next year, has agreed to pay \$276m for half of Texas Eastern's 20 per cent stake in the big Beryl field in the North Sea.

The deal represents the biggest purchase of a single North Sea asset this decade.

Analysts in London said the deal was priced in a similar range to other recent asset sales in the area, although it was off the top of the market.

Repsol is acquiring 39m barrels of proved oil reserves in Beryl and 100m cubic feet of gas.

There is also a substantial possibility of upgrading as the field is re-evaluated.

Officials at Repsol refused to comment on the details of the deal yesterday.

Independent analysts suggested that Texas Eastern's other partners in the field may not yet have decided to forfeit their options on the 10 per cent stake which is up for sale.

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INTERNATIONAL COMPANIES AND FINANCE

Bond denies collusion over purchase of Bell stakes

BY CHRIS SHERWELL IN SYDNEY

MR ALAN BOND'S Bond Corporation and the Western Australian State Government Insurance Commission (SGIC) yesterday reiterated that they had not colluded last April when they purchased separate 19.9 per cent stakes in Mr Robert Holmes & Court's Bell Group.

They were each responding to questions arising from investigations of the two deals conducted by the National Companies and Securities Commission (NCSC), details of which were published yesterday.

Australia's corporate watchdog said it had reached a "tentative view" that the two parties might have had some understanding over future management of Bell Group.

The finding led Bond Corporation to announce a A\$950m (US\$685.2m) full cash bid at the A\$2.70 a share price it paid for its initial stake.

Mr Bond and other executives yesterday acknowledged that details of Bond Corporation's financial analysis were made available to the SGIC before it made any purchase.

But they insisted that Bond Corporation was not party to the SGIC negotiations with Bell which settled the somewhat lower price of A\$2.50 a share which the state government entity paid for its own 19.9 per cent stake.

For its part, the SGIC reiterated it had acted independently in acquiring its Bell holding. It was strongly defended by Mr Peter Dowling, the Western Australian Labor Party state premier, who has come under pressure from the state's Liberal opposition.

Both purchasers were anxious to dispel the impression created by the NCSC that they were in any way associated. According to the NCSC, Bond Corporation and the SGIC were clearly in contact and "appraised of the status of the offer being made by the other and also the status of the negotiations with the other."

In particular, the securities watchdog drew attention to the role played by Mr Trevor Rowe, the head of Salomon Brothers in Australia. It was Mr Rowe who made the necessary valuation of

Bell Group for the SGIC.

The NCSC said Mr Bond told Mr Rowe that the SGIC had retained him to advise it on the acquisition of Bell Group shares, and it was Mr Bond who approved giving Mr Rowe Bond Corporation's material on Bell Group to assist him in advising the SGIC.

Bond Corporation officials insisted again yesterday that nothing improper had occurred, and pointed out that the NCSC, which has now suspended its investigation, had not formed a conclusive view or levelled any charges.

On the planned bid, Bond Corporation said there would be no problem financing the A\$950m needed for the remaining 80 per cent of Bell Group and that Bond shareholders would not be tapped for the funds. It acknowledged there would be "some rationalisation" of assets.

On the stock market, Bond Corporation gained 2 cents to finish at A\$1.95, while Bell Group put on 37 cents to reach A\$2.47. Bell Resources lost 5 cents to A\$1.85.

Earnings double at Israel Corporation

By Andrew Whitley in Jerusalem

THE ISRAEL Corporation, the investment holding company controlled by Mr Shaul Eisenberg, the multi-millionaire, has reported a near doubling of profits in 1987 to Shk50.5m (\$15.2m) from Shk16.2m.

Much of the improvement is attributable to the strong resurgence of Zim Israel Navigation Company, the national shipping line, in which the Israel Corporation has a 45 per cent stake. The company also has interests in hotels, high technology industry and the government-controlled oil refineries.

Last year's after-tax profit figure was the best result for more than five years, and came on revenues up from just Shk24m to Shk151.1m.

The company noted that its performance had been adversely affected by a running dispute between the oil refineries and Israel's three fuel companies. Nearly \$11m in disputed income from its 25 per cent holding in the refineries was therefore not shown on its profit statement.

Two-thirds of Israel Corporation's capital, or Shk116.5m, is tied up in the oil refineries, at the heart of Energy Ministry attempts to deregulate the domestic fuel industry.

Mr Efraim Arad, the chairman and chief executive of Scitex, a world leader in computerised imaging equipment for the printing and publishing industry, has handed over control of the company he founded two decades ago.

Mr Arie Rosenfeld, who has been vice-president and chief operating officer since May 1987, takes over at the company.

Scitex recently reported net profit of \$2.5m on revenues of \$43.4m for the first quarter of 1988, its third consecutive quarterly profit. The turnaround, after several years of losses, prompted Mr Arad to step down at this time, although he will stay on as the chairman.

Investcorp's success is not matched by many others, writes Robin Allen

Bahrain banks see few hopes met

IN A REMARKABLE frank statement to shareholders in the 1987 annual report, Mr Abdul Rahman Salem al-Ateeqi, the chairman of Bahrain Middle East Bank, one of the country's 16 locally incorporated offshore banks, describes the year as one "of unfulfilled hopes."

The importance of offshore banks to Bahrain can hardly be overstated. Mr Ibrahim Abdul-Karim, the Finance Minister, estimated in January that they contribute some BD200m (\$29.2m) annually to the economy through the operations, rents and training.

This is equivalent to 40 per cent of estimated government revenue for 1988.

Conversely, when a bank pulls out or runs down its operations it is a blow to Bahrain's pocket as well as its pride, and the potential threat to Bahraini jobs is a very sensitive issue with the Government.

Broad statistics suggest the OBU community is recovering from the last two years. Assets of the 57 offshore banks had increased to \$65.5bn at the end of last year, compared with \$35.7bn from 68 offshore banks at the end of 1986 and \$56.8bn from 74 offshore banks at the 1985 year-end.

Of the 97 banks, offshore banking units (OBUs) — both locally and foreign incorporated — account for 57, while 19 are investment banks and another 19 are local and foreign commercial banks. There are also two specialised banks.

Shareholder confidence has been eroded, first by Saudi and Gulf regional — or, in some cases, Latin American — bad debts. At the same time, Bahrain-based treasury operations have been largely rendered superfluous by the 24-hour worldwide trading practice of international banks.

Bahrain banks also followed in some measure the move in the US and Europe from commercial lending to securitisation, the buzzword encompassing activities like equity financing, advisory and brokerage services, fund management, arbitrage, and note issuance facilities.

But last October's world stock market collapse cast doubt on this strategy too, so that offshore banks are left with high costs, a management which has the invidious job of sorting out deci-

shareholders only two responded, so that the bank is now more than 70 per cent owned by Arab institutions. Over 80 per cent of its assets are in Latin America. UGB has meanwhile been taken over by the government-controlled Kuwait Projects Company. Its \$40m-odd Latin American debt was sold at a 50 per cent discount.

Bahrain Middle East Bank shareholders only two responded, so that the bank is now more than 70 per cent owned by Arab institutions. Over 80 per cent of its assets are in Latin America. UGB has meanwhile been taken over by the government-controlled Kuwait Projects Company. Its \$40m-odd Latin American debt was sold at a 50 per cent discount.

shareholder base, and its headquarters remain in Bahrain. Among British clearing bank OBUs, Midland pulled out last November, as part of a broader reorganisation following its link with Hongkong and Shanghai Banking Corporation last year. Hongkong Bank retains an OBU in Bahrain.

Barclays, according to Mr Peter Watford, the new Dubai-based regional head, is continuing with its Bahrain OBU "mainly for recovery of debts in the region." Operations for the Gulf, excluding the United Arab Emirates, will be directed from London and Zurich. This trend is likely to continue among Western international banks.

But if Bahrain has lost its appeal for some banks, which no longer see its proximity to Saudi Arabia as attractive, it is the opposite for Japanese investment houses, which are aggressively marketing yen-denominated securities. They have identified Bahrain as the most advantageous Middle East base from which to finance Japanese growth from Arab capital exporters.

And once the Japanese corporate mind was made up, they came to Bahrain in droves: a total of 16 arrived in 1979-81 and six more between 1982-84. They now maintain 21 of the 57 representative offices and five — soon to be six — of the 18 investment banks. One of the Japanese groups, Okasan International (Middle East), is 11.25 per cent owned by Investcorp.

Nikko Securities is expected to be the sixth Japanese investment bank when it opens later this year, following in the footsteps of Nomura, Daiwa and Yamaichi to complete the presence of the Big Four brokerage houses.

The purely local market offers both fewer pitfalls and fewer opportunities. Only three out of the island's 16 local commercial banks reported profits last year. Liquidity, however — mainly savings and coal deposits — was much higher by the end of last year, rising by nearly 10 per cent to BD965m, and the troubling of government bond issues to B\$200m announced with the budget last January has given local commercial banks more confidence than they have had at any time for the last two years.

While others are struggling, Investcorp is one Arab offshore institution which has seen its profits rise consistently — to \$28.5m last year compared with \$15m in 1986. Its presence in Bahrain is due to its 335 founding Gulf shareholders and several thousand Bahraini individuals who are also shareholders, even though its strategy — medium-term buyouts and flotations in property, industrial and consumer goods ventures — takes it to the US and western Europe. Part of its top management is relocating to London, but its



Ibrahim Abdul-Karim: Bahrain's Finance Minister

Saudi shipping group in black

NATIONAL SHIPPING Company of Saudi Arabia (NSCSA), the kingdom's maritime flag carrier, has returned to the black after three years in which cumulative losses reached SR70.5m (\$18.8m).

It reported net profits of SR2.5m for 1987, a turnaround from losses the previous year of SR9.2m. This year has started even better, with the company making SR7.3m in the first three months.

NSCSA is 29 per cent owned by the Saudi Government. The rest of the shares are publicly traded.

Last year, revenues rose 24.4 per cent to SR43.8m as volumes carried rose to just under 2m tonnes from 1.5m tonnes. NSCSA has a fleet of six roll-on/roll-off vessels and two chemical tankers. It began operations in 1981.

Sime Darby sees big rise

SIME DARBY, the Malaysian conglomerate, is projecting a 50 per cent increase in group pre-tax profit for the year to June, at 270m ringgit (US\$104.5m), compared with 181.5m ringgit, writes Wong Sulong in Kuala Lumpur.

The forecast is contained in a circular to shareholders seeking approval for the purchase of a 7.4 per cent stake in the London-

based Harrison and Crossfield trading group from Permodalan Nasional (PNB), the Malaysian government investment agency.

Sime is to issue 109.1m new shares to PNB in exchange for the 9.93m H and C shares. This would represent slightly more than 10.5 per cent of Sime's enlarged paid-up capital of 1,035m shares.

CSR disposal to Shell unit

CSR, one of Australia's largest industrial groups, has agreed to sell its gold mining and exploration interests in Indonesia to Billiton, part of the Royal Dutch/Shell group, writes Kenneth Gooding, Mining Correspondent.

This will complete CSR's almost total withdrawal from natural resources activities in Australia and Indonesia and its transformation into an industrial group. CSR says the disposals will raise a total of about A\$125m (US\$100.9m).

In the latest deal, Billiton is buying a 70 per cent interest in PT Lusang Mining which mines gold and silver at Lebong Tandai, Sumatra, and has 11 exploration other prospects in Indonesia.

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Advertisement for Teollisuuden Voima Oy floating rate retractable notes due 2004, with details on interest rates and redemption terms.

Advertisement for MALAYSIA US \$300,000,000 Floating Rate Notes due 1992, including details on interest rate and reference agent Bank of Tokyo International Limited.

Large advertisement for Bank of America, featuring a detailed image of a skyscraper under construction and text about foreign exchange performance and global trading services.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Barry Riley on international ambitions at a Swedish insurance group
Skandia sets out a life policy

SKANDIA INTERNATIONAL, the Swedish-based insurance group so far mainly involved in reinsurance, is bidding to become a significant international force in the life assurance, pensions and savings business.

Unit-linked life assurance and pensions will be the major products, possibly supplemented by mortgages, asset management and financial planning services.



Hans Dalborg: a tribute to British inventiveness

quality products should go through at very low expense. The immediate step is the launch of Slam. It is costing between \$55m and \$40m to establish this American operation nationwide, with all the complications of the requirements to gain approval in every state.

Japanese moderate treasury operations

By Ian Rodger in Tokyo
JAPANESE industrial companies appear to be moderating their treasury operations since last October's worldwide stock market crash, according to the Tokyo-based Wako Research Institute.

Table with 3 columns: Company, Investment Change (Yen), Profit (%)

Dealers regain appetite for Canadian dollar issues

BY DOMINIQUE JACKSON

THE EUROBOND market started the week with a batch of new issues - four of them in Canadian dollars - but with few factors emerging to influence secondary trading.

its parent. The deal was priced at 101.35 and had the advantage of both a desirably short three-year maturity and a 10 1/2 per cent coupon.

INTERNATIONAL BONDS

10 1/2 per cent deal at 101 1/2 carries the guarantee of Ford Motor Credit.

anted by parent Fuji Bank. The issue was priced at 65.52 per cent of face value of 9.5 per cent.

Algeria may again avoid debt rescheduling

BY FRANCIS GHILES

ALGERIA HAS for several years confounded predictions that it would be forced by falling oil prices into rescheduling its foreign debt.

credit lines to finance such imports. The reason was twofold: the terms were more attractive and dependence on relatively volatile short-term credit from banks would be shifted to more stable medium-term funds from bilateral sources.

from Japan's Exim Bank for the six months to September 1. This total is made up of \$200m-300m in yen-denominated loans to Algerian banks, while a further \$200m will be made available in a co-financing with the World Bank.

The crash was not enough to cause companies any significant losses. The combined balance of financial assets held by the 993 companies surveyed by Wako grew 37.9 per cent to ¥13,083.2bn (€10.4bn) at the end of the fiscal year to March.

When the price of crude oil collapsed in 1986, cutting its foreign income by 40 per cent, Algeria started to finance imports of spare parts, semi-finished and consumer goods - which it previously paid for with cash - with 12-18 months credit from commercial banks.

Algerian bankers last year succeeded in securing FF30bn (€4.5bn) worth of three-year credit from France at a concessional margin of 3/4 percentage points over London interbank offered rates, but that money has yet to be drawn.

The yen-denominated loans will be most welcome as the Banque d'Algerie, the country's central bank, did not hedge its dollar borrowings in 1986 or 1987, and most of this money will help refinance the country's yen denominated debt.

However, this growth rate was smaller than in the previous year, and so most of the leading zaitech operators recorded declines in their profits from financial investments.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on June 6

Table with columns: US DOLLAR STRAIGHTS, YEN STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLES, SWISS FRANK STRAIGHTS

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange against four key currencies on Monday June 6 1988. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, £ STG, US \$, D-MARK, YEN (x 100)

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Central bank rate; (e) Essential imports; (f) Financial rate; (g) Export; (h) Non-commercial rate; (i) Business rate; (j) Buying rate; (k) Lenny; (l) Lenny; (m) Market rate; (n) Official rate; (o) Official rate; (p) Official rate; (q) Official rate; (r) Selling rate; (s) Tourist rate; (t) Tourist rate; (u) Tourist rate; (v) Tourist rate; (w) Tourist rate; (x) Tourist rate; (y) Tourist rate; (z) Tourist rate

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Lloyds Bank Base Rate.

Lloyds Bank Plc has increased its Base Rate from 8 per cent to 8.5 per cent p.a. with effect from Monday 6 June 1988.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Lloyds Bank Base Rate will be varied accordingly.

The change in Base Rate will also be applied from the same date by the United Kingdom branch of The National Bank of New Zealand Limited.



THE THOROUGHbred BANK.

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3ES.

Bank of Scotland BASE RATE

Bank of Scotland announces that with effect from Monday, 6th June, 1988 its Base Rate will be increased from 8.00% per annum to 8.50% per annum



The Royal Bank of Scotland plc Base Rate

The Royal Bank of Scotland announces that with effect from close of business on 7 June 1988 its Base Rate for advances will be increased from 8% to 8½% per annum.

The Royal Bank of Scotland plc, Registered Office: 38 St. Andrew Square, Edinburgh EH2 2DU. Registered in Scotland No. 10022.



BASE RATE

CLYDESDALE BANK PLC ANNOUNCES THAT WITH EFFECT FROM 7TH JUNE, 1988, ITS BASE RATE FOR LENDING IS BEING INCREASED FROM 8% TO 8½% PER ANNUM



Base Rate

On and after 7th June, 1988 Standard Chartered Bank's Base Rate for lending is being increased from 8.0% to 8.5%

Standard Chartered Bank Head Office 38 Bishopsgate, London EC2N 4DE Tel. 01-280 7500 Telex 885951



With effect from the close of business on Monday 6th June 1988 and until further notice, TSB Base rate is increased from 8.00% p.a. to 8.50% p.a.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to TSB Base Rate will be varied accordingly.

TSB Group plc, 25 Milk Street, London EC2V 8LU.

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from close of business on 7th June 1988, their Base Rate for lending will be increased from 8.0 per cent to 8.5 per cent. per annum.

Hill Samuel & Co. Limited 100 Wood Street, London EC2P 2AJ. Telephone: 01-628 8011.



Girobank plc Base Rate

Girobank announces that with effect from close of business on 6 June 1988 its Base Rate was increased from 8.0% 8.5% per annum.

Reg Office: 10 Milk Street London EC2V 8JH Reg No: 1950000

bank leumi (uk) plc Base Rate

Bank Leumi (UK) plc would like to announce that with effect from Tuesday 7th June 1988 its base rate for lending is increased from 8 per cent per annum to 8½ per cent per annum.



Coutts & Co. announce that their Base Rate is increased from 8.00% to 8.50% per annum with effect from the 7th June, 1988 until further notice.

All facilities (including regulated consumer credit agreements) with a rate linked to Coutts Base Rate will be varied accordingly.

Coutts & Co 440 Strand, London, WC2R 0QS

Base Rate Change

With effect from Tuesday 7th June, 1988 Co-operative Bank Base Rate changes from 8.00% p.a. to 8.50% p.a.



Co-operative Bank p.l.c. P.O. Box 101, 1 Balloon St., Manchester M60 4EP. Tel.: 061 832 3456

Barclays Bank Base Rate.

Barclays Bank PLC and Barclays Bank Trust Company Limited announce that with effect from 6th June 1988 their Base Rate increased from 8% to 8½%



Barclays Bank PLC and Barclays Bank Trust Company Limited are members of IMLRO. Reg. Office: 54 Lombard St., EC3P 3AB. Reg. No's 1026167 and 920880.

THE F.T. CENTENARY TRIPLE MARATHON CHALLENGE (London Paris New York) IN AID OF THE SICK CHILDRENS TRUST

Two employees from the Financial Times will be running the London, Paris and New York marathons this year to raise money for The Sick Children's Trust.

This charitable trust provides desperately needed accommodation for parents of children undergoing long-term specialist treatment at Great Ormond Street and St Bartholomew's Hospitals. The accommodation is currently in very short supply and is urgently required to house parents to comfort their children while they are away from home.

To sponsor the FT athletes please contact:-

Tim Kingham or Cliff Crafts on 01-248 8000 or write to them at:-

Financial Times, Bracken House, 10, Cannon Street, London, EC4P 4BY.

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Also in this 116 page issue, we profile Colin Rossier, and London International Group's Alan Wertz, report on AVCs and pensions, preview next month's dividend announcements, reveal who is building up key stakes in which companies, and discuss home-income plans for the elderly and home equity-release schemes for all. You will also have the chance to win two free tickets to the USA in our prize draw.

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THE MONTHLY MAGAZINE FOR DISCERNING INVESTORS



NatWest announces that with effect from and including Tuesday 7th June 1988 its Base Rate is increased from 8.00% to 8.50% per annum.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to NatWest Base Rate will be varied accordingly.

41 Lothbury London EC2P 2BP

YORKSHIRE BANK Base Rate

With effect from close of business on Tuesday 7th June 1988 Base Rate is increased from 8% to 8½%

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Yorkshire Bank Base Rate will be varied accordingly.



Head Office 20 Merrion Way, Leeds LS2 8NZ

UK COMPANY NEWS

BP extends tender offer for \$100m of Lear Petroleum debt

BY STEVEN BUTLER

British Petroleum yesterday extended until June 10 its tender offer for \$100m (£55m) of debt issues of Lear Petroleum, the US gas distribution company which it is in the process of acquiring, following undersubscription of the offer by holders of the debt.

As of June 3 some \$37m of the debt had been tendered to BP at a discount to face value. BP has made the acquisition contingent on the tendering of at least \$100m.

Holders of Lear debt who decline to accept the tender offer would have to take their chances on Lear being able to repay the debt after BP completes the takeover, which would also be contingent on the outcome of a shareholders meeting on June 14.

Although Lear would be

responsible for paying the debt, this could not be done until the company returns to financial health since BP has said it would not guarantee the issues. This means that holders of the debt would have to wait for an unspecified period of time, presuming that BP turns the company around.

If holders of the debt fail to accept the tender offer, they also run the risk that BP would withdraw from the deal raising further questions about when or if the debt would be satisfied.

BP said yesterday that it did not believe the acquisition was in jeopardy because of failure of the debt holders to respond to the offer, and that the offer could be further extended.



Eric Morley (left), chairman of the Miss World Group, Julia Morley, his wife, and Owen Oyston, chairman of Red Rose Radio who agreed a merger of the two companies yesterday.

Liquidation for Drayton Japan as holders vote for transfer of units

The long-running saga over the late of the Drayton Japan Investment Trust all but came to a conclusion yesterday as shareholders voted overwhelmingly in favour of revised reconstruction proposals.

These will allow investment trust shareholders to transfer either to Drayton Far Eastern Trust or to a new unit trust, MIM Britannia Drayton Japan. Following the vote at yesterday's extraordinary meeting, the scheme will now be implemented and Drayton Japan will be liquidated on June 15.

In the event, it emerged that 87 per cent of shareholders opted for a continuing stake in the investment trust.

Lord Stevens of Ludgate, Drayton chairman, criticised the attitude of three unidentified institutions which first voted for liquidation last year.

"It is unsatisfactory for investors in general when even the best performing companies, be they investment trusts or industrial, are going to be subject to liquidation or takeover for a short-term opportunistic profit."

OFFICE PROPERTY
The Financial Times proposes to publish this survey on:
Friday 24 June
For a full editorial synopsis and advertisement details, please contact:
Joe Bell
on 01-248 8000 ext 3284
or write to HIM at:
Brackton House
10 Cannon Street
London
EC4P 4BY

This notice is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer or invitation to any person to subscribe for or purchase any shares in the Company. Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the Ordinary Shares and the Warrants to subscribe for Ordinary Shares in the Company in the Unlisted Securities Market. Dealings are expected to commence today.

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Tranwood is a financial services organisation engaged in corporate finance, agency stockbroking and financial communications.

Introduction to The Stock Exchange by PHILLIPS & DREW SECURITIES LIMITED

Authorised £	Issued and fully paid £
6,700,000	4,412,532.85

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The document relating to the Introduction is available in the Extel Statistical Service. Copies of this document may be obtained during normal business hours up to and including 10th June 1988 from the Company Announcements Office, 46-50 Finsbury Square, London EC2A 1DD and during normal office hours on any weekday (Saturdays and public holidays excepted) up to and including 17th July 1988 from:

Tranwood PLC, 123 Sloane Street, London SW1X 9BW
Phillips & Drew Securities Limited, 120 Moorgate, London EC2M 6XP

8th June 1988

Takeover Panel clarifies water companies' position

BY ANDREW HILL

THE TAKEOVER Panel yesterday issued a special ruling clarifying how the Takeover Code applies to statutory water companies.

Some of the companies have arcane voting structures, which limit the maximum number of votes which may be exercised by shareholders, irrespective of the size of their stake, or even reduce the number of votes available per share as the stake is increased.

All statutory and chartered companies are covered by the code - a clause was recently added to its introduction to reinforce this - but occasionally confusion has arisen because statutory companies are not registered under the Companies Act.

The planned privatisation of the much bigger water authorities has stimulated interest in the companies. Large investors - notably French water suppliers - have been building substantial stakes in the 28 private sector companies, which work under agency agreements with the 10 authorities.

Yesterday's statement says investors should calculate the maximum number of votes they could exercise if restrictions did

not apply and then express that number as a percentage of the total number of votes which could possibly be exercised. As with ordinary companies, once the investor's nominal stake passes 29.9 per cent, a full offer has to be made.

Investors in statutory water companies do not have to declare a stake until it reaches 15 per cent, compared with the 5 per cent disclosure level for registered companies.

Most of the major investors in water companies already express their stakes in the recommended way.

"I would be surprised if any new investors popped up as a result of the statement," said an official of the panel, which advises any potential bidder or substantial investor to consult it at an early stage.

"We seem to have been talking about water companies half our time recently."

● Biwater Supply yesterday announced that its final offer for East Worcestershire Waterworks Company would close at 3pm on 30 June. The offer was declared unconditional last month.

IN BRIEF

HARTWELL - Byrom House Nominees has acquired a further 710,000 ordinary shares increasing holding to 5.4m ordinary (8.57 per cent).

KEEL ENERGY - Rights issue has received valid acceptances for 7.073m offer units (40.8 per cent).

TRIMOCO - Norcombe, which is beneficially owned by Bishopsgate Investments, has purchased a further 1.5m shares ordinary making total holding 6.15m (7.58 per cent).

NORTHAMPTONSHIRE
The Financial Times proposes to publish this survey on:
21st June 1988
For a full editorial synopsis and advertisement details, please contact:
Anthony G Hayes
on 021-454-0922
or write to him at:
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George Road
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As Pineapple Group PLC we were known in most circles for dance, exercise and fashion. But that was only one part of a changing and very much larger story.

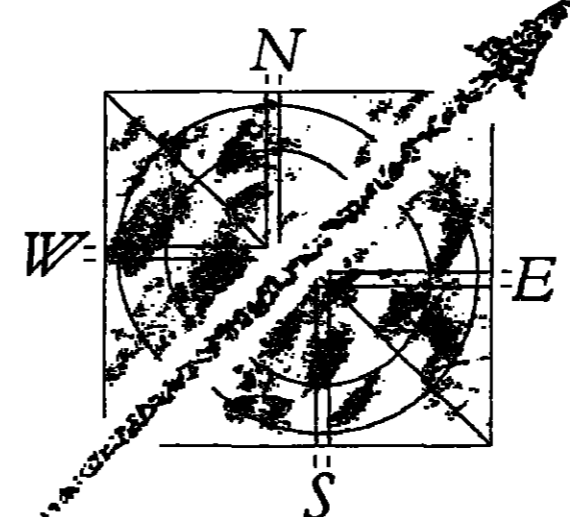
Since 1985, the Group has been expanding fast. Into Graphics & Design, Incentives & Motivations, Sales Promotion & Direct Marketing and Specialist Communications.

Today, with our UK and US interests, we're one of the largest below-the-line Marketing Services organisations in the world. Which may come as a surprise, and not a little concern, to our competitors.

To reflect that change in direction and our confidence in the future, we're calling ourselves something different.

From Monday 6th June 1988 we'll become known as Prospective Group plc.

Look out for us.



Prospective GROUP plc

PICCADILLY RADIO PLC
The Greater Manchester Media Group

SUMMARY OF INTERIM RESULTS	1988	1987
Turnover	£ 4,261,727	£ 2,428,733
Operating profit (before charging 50% mental)	785,790	416,305
Group pre tax profit	537,300	253,138
Earnings per share	3.05p	1.52p

- Pre tax profit up 112%
- Buoyant advertising revenue
- Business development continuing
- Second half starting strongly

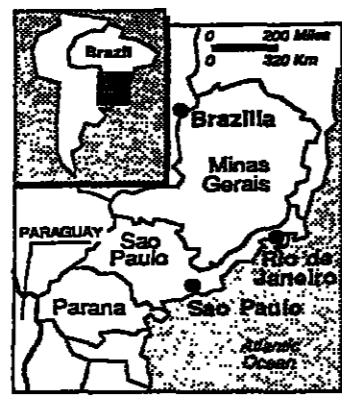
PICCADILLY RADIO

COMMODITIES AND AGRICULTURE

Coffee prices leap on fear of frost damage in Brazil

BY JOHN BARRHAM IN SAO PAULO AND RICHARD MOONEY IN LONDON

FEARS THAT a weekend frost had caused heavy damage in Brazil's primary growing regions...



Early reports claiming that in Parana, an important coffee-growing region, 40-60 per cent of coffee bushes had been damaged...

pointed out that Parana accounted for a relatively small proportion of Brazilian coffee production...

Mr Jochen Timm, a partner in Brazil's Stockler export house, explained: 'We had low temperatures during the last few nights and we did have some frost-bite on some leaves in low lying areas in Parana...

The Brazilian coffee institute is forecasting a harvest of 20.4m bags (80 kg each) this year...

'Now the weather is beginning to warm up and could hold until the next cold front arrives, probably by Thursday or Friday,' Mr Timm added.

The Brazilian coffee industry is apprehensive about the chances of a colder winter than usual this year...

In London, Mr Bob de Jong of the E.D. & F. Man trading house...

Malaysian tin values recover

BY WONG SULONG IN KUALA LUMPUR

PRICES OF physical tin in Malaysia have breached the psychologically important level of 15 ringgit a kilogram...

hang, currently estimated at 40,000 tonnes, is being whittled down at a rate of between 1,500 tonnes and 2,000 tonnes a month...

On the Kuala Lumpur Tin Market, the price rose nine cents to 16.04 ringgit a kilogram last Friday...

ringgit a kilogram. 'They point out, however, that Malaysian miners, who are high-cost producers because of their low grade ores...

While the price rise has not been as pronounced in tin as in other commodities, Malaysian producers say the trend is very positive and is in line with fundamentals...

Meanwhile, the Kuala Lumpur Commodities Exchange has announced that with immediate effect, the size of its tin futures contract has been increased from one to five tonnes...

As a result of the rationalisation programme of the seven-nation Association of Tin Producing Countries, consumption is now greater than supply and the over-

also said the price would in future be quoted in US dollars per tonne, instead of US cents per kilogram.

UK supports Opec's \$18 a barrel target

MR CECIL PARKINSON, the Energy Secretary, said yesterday that he supported the Organisation of Petroleum Exporting Countries' efforts to stabilise oil prices at around \$18 a barrel...

production from its major North Sea oilfields declined. Mr Parkinson's comments appear to represent a shift in the Government's previously rather hostile attitude towards the Opec cartel...

After meeting Indonesia's President Suharto, on a four-day visit to the country, Mr Parkinson said that although Britain was outside Opec, it was effectively aiding the group's efforts to restore an oil price of around \$18...

output was gradually falling as

Why Japan plans cuts in copper production

By Kenneth Gooding, Mining Correspondent

SHORTAGES OF copper concentrate (material supplied by the mines which is 25 to 40 per cent copper) are responsible for the substantial cuts in output planned by Japanese smelters...

It points out that the Japanese Ministry of International Trade and Industry has forecast a 7.5 per cent fall to 505,000 tonnes in refined copper production in Japan for the 1988-89 fiscal year...

Japan imported 347,685 tonnes of refined copper in the 1987 calendar year and at the moment imports are running at a rate equal to an annual 470,000 tonnes. Japanese consumption of refined copper rose by 5.3 per cent last year and current demand growth is above 4 per cent.

Among the cuts announced for the first half of 1988-89 noted by MMRS are one of 2,900 tonnes a month by Nippon Mining to 20,140 tonnes and one of 6.3 per cent to 17,900 tonnes a month by Mitsubishi Metal...

'Base Metal Concentrates,' Published by Metals and Mineral Research Services group, 222 The Strand, London WC2R 1BA. \$500.00 a year.

Table with 5 columns: Metal, Unit, Current Price, Previous Price, and Change. Includes Aluminum, Copper, Nickel, Zinc, Lead, Silver.

Tilting at EC cereal windmills



FARMER'S VIEWPOINT By David Richardson

David Richardson, who farms 950 acres in Norfolk, begins a new fortnightly series of articles

slightly higher than it was before the quotas. Furthermore, dairy farmers can for the first time calculate not just how to produce the most milk but how to produce a specific quantity most economically.

According to a number of agencies which record profitability, milk is one of the very few commodities to be enjoying modestly improved production margins over the last few years.

Against this background, Mr John MacGregor, the Minister of Agriculture, in this week's negotiating final details of the latest measure to control production of cereals...

The regulation, which all EC member states are required to implement by July 14, allows individual ministers a great deal of flexibility. For instance, compensation can be anything from £70 to £320 per hectare and can, if desired, be varied according to the quality of the land.

In Britain, the figure most widely discussed is around £200 per hectare, and it is expected that the minister will plump for that. Whether that level of compensation will persuade many farmers to join the scheme...

So, although the imminent introduction of voluntary set-asides looks, on the face of it, just as fundamental a change as imposition of milk quotas, I doubt if it will turn out that way. It is far more likely, in my view, that set-aside will have a cosmetic impact and that within two or three years we shall see a system of statutory quotas for EC cereals.

According to the Ministry of Agriculture, the forthcoming season had been expected to be a good year all round for fruit and vegetables until the Hamsin (known in Hebrew as Shamoun) set in...

THE WORST May heatwave in nearly half a century has destroyed much of Israel's important avocado crop, together with other high value fruits...

Heat ruins Israeli avocado crop

BY ANDREW WHITLEY IN JERUSALEM

According to the Ministry of Agriculture, the forthcoming season had been expected to be a good year all round for fruit and vegetables until the Hamsin (known in Hebrew as Shamoun) set in...

Racking up export sales of about 70,000 tonnes in the season recently ended, Israeli avocados had looked set for a bumper crop next winter. Now, the state marketing board Agrexco believes exports will be down to 10,000-15,000 tonnes...

Farm pollution increases

FARMERS in England and Wales caused a record 3,800 incidents of river pollution last year, a report by the Water Authorities Association shows...

LONDON METAL EXCHANGE

Table with 5 columns: Metal, Unit, Current Price, Previous Price, and Change. Includes Aluminum, Copper, Nickel, Zinc, Lead, Silver.

US MARKETS

Table with 5 columns: Metal, Unit, Current Price, Previous Price, and Change. Includes Aluminum, Copper, Nickel, Zinc, Lead, Silver.

Chicago

Table with 5 columns: Commodity, Unit, Current Price, Previous Price, and Change. Includes Soybeans, Corn, Wheat, etc.

LONDON MARKETS

Table with 5 columns: Commodity, Unit, Current Price, Previous Price, and Change. Includes Metals, Oils, and other commodities.

COCOA £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

LONDON METAL EXCHANGE

Table with 5 columns: Metal, Unit, Current Price, Previous Price, and Change.

SPOT MARKETS

Table with 5 columns: Commodity, Unit, Current Price, Previous Price, and Change.

POTATOES £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

LONDON BULLION MARKET

Table with 5 columns: Metal, Unit, Current Price, Previous Price, and Change.

SOYBEAN MEAL £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

WHEAT £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

SOYBEAN MEAL £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

WHEAT £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

CATTLE £/head

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

GRAINS £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

WHEAT £/tonne

Table with 5 columns: Date, Close, Previous, High/Low, and other data.

SOYBEAN MEAL £/tonne

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound steady despite rate rise

TRADING HAD a rather technical feel on the foreign exchanges yesterday, with the dollar and sterling showing mixed changes.

The Bank of England nudged clearing bank base rates up another 1/4 p.c. yesterday, but must have been satisfied by the pound's steady performance, and the lack of any renewed demand for the currency.

The most obvious movement was in the D-Mark and Japanese yen, as a result of the unwinding of short positions in the D-Mark and long positions in the yen.

There were no major statistics to influence the market, but Friday's news on US employment data continued to have some impact.

Rising unemployment in May, and a lower than expected rise in non-farm employment, eased fears about rising US inflation.

This also put a question mark against earlier suggestions that the Federal Reserve was about to tighten its credit policy, in order to stem overheating in the US economy.

Although the market no longer saw an immediate need for the US authorities to increase interest rates, the dollar was underpinned by signs of renewed confidence in US shares and bonds among Japanese investors.

In contrast, the dollar appeared to gain strength from the employment data, particularly against the Japanese yen.

The yen suffered against major currencies in general, and particularly the Japanese yen.

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FINANCIAL FUTURES

Sterling contracts firmer

STERLING DENOMINATED interest rate contracts were firmer on the Life market yesterday.

This followed the Bank of England's move to increase UK bank base rates another 1/4 p.c. only a few days after the last increase.

This came as something of a surprise to the market, as upward pressure on rates appeared to be easing during the morning, with an improvement by sterling against the D-Mark.

June three-month sterling deposit futures rose to 91.05 from 91.02, in spite of the approaching delivery of the contract.

Most trade has now transferred to the September month, which opened lower at 90.32 yesterday. This was the lowest level of the day, and the contract rose to a peak of 90.64, before closing at 90.65, compared with 90.38 on Friday.

September long gilts rose to a peak of 96.10, on the rise in base rates, and finished only slightly lower at 96.09, against 95.18 previously.

US Treasury bond futures also finished firmer in London, at 86.29 for September delivery, against 86.21 previously, but well below the day's high of 87.12.

Prices weakened later in Chicago, with US debt futures falling to session lows, on a rise in the Commodity Research Bureau Index.

This increased fears about rising US inflation, pushing bonds down, and triggering light spot loss selling orders.

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EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, and other market data for various options.

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ENS EUROPEAN CURRENCY UNIT RATES

Table showing currency unit rates for various European currencies.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing pound spot and forward rates against the pound.

STERLING INDEX

Table showing the Sterling Index for various currencies.

CURRENCY RATES

Table showing various currency rates.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing dollar spot and forward rates against the dollar.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates.

EXCHANGE CROSS RATES

Table showing exchange cross rates between various currencies.

OTHER CURRENCIES

Table showing rates for other currencies.

MONEY MARKETS

Base rates to 8 1/2% CLEARING BANK base rates rose to 8 1/2 p.c. yesterday, following a clear signal from the Bank of England, through a half point rise in its market lending rate.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates.

NEW YORK

Table showing New York market data.

LONDON MONEY RATES

Table showing London money rates.

NEW YORK

Table showing New York market data.

NEW YORK

Table showing New York market data.

NEW YORK

Table showing New York market data.

Barnes & Co. presents STEIDLMEYER MARKET THEORY SEMINAR LONDON July 9th - 13th 1988

MARKET PROFILE/NEW RESEARCH DISCOVERIES The Class is geared towards market analysis and decision making for corporate application in the cash and futures markets.

For full information call Tony Orfanos 01-623-8949 For registration call Alex Carpenter 01-623-0444

Barnes & Co 18 King William Street 7th Floor London, England EC4 N7SA

Chemical Bank Home Loans Money Market Mortgages The rate for LIBOR-linked mortgages for the quarter beginning 3 June 1988 will be 10% (APR 10.5% variable).

Company Notices

SOCIETE GENERALE DE BELGIQUE GENERALE SOCIETE ANONYME

AGENDA 1. Report by the Board of Directors and by the Statutory Auditor on the 1987 accounts.

Attendees at this June 21, 1988 meeting are requested to be present from 9.30 a.m. onwards in order to accomplish the registration formalities.

R. Mombaert Secretary

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Unit Trust, Abbey Unit Trust, etc., with columns for name, manager, and other details.

Table listing unit trusts under the heading 'Authorised Unit Trusts', including names like Abbey Unit Trust, Abbey Unit Trust, etc.

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IG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699. Reuters Code: IGIN, IGIO.

City Financial Services & Inv. Ltd. 20 Central Avenue, London EC2A 7PA. Tel: 01-493 4004.

Key Fund Managers Ltd. 35 Finsbury Square, London EC2A 3AE. Tel: 01-493 4004.

Midland Unit Trusts Ltd. 120 Broad Street, Birmingham B1 2LP. Tel: 01-252 2222.

Metropolitan Unit Trust Managers Ltd. 110 Broad Street, Birmingham B1 2LP. Tel: 01-252 2222.

Table listing unit trusts under the heading 'Authorised Unit Trusts', including names like Abbey Unit Trust, Abbey Unit Trust, etc.

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JOTTER PAD

FT CROSSWORD No.6,649 SET BY QUARK. A crossword puzzle grid with numbers in the starting squares.

ACROSS: 1 Excited? Must be the drink (6). 2 Statement on letters going up (9, 5). 3 Loss of drinks (various courses being completed) (8). 4 It raises weights. Girl's next to give a turn (8). 5 Added material in body or book (8). 6 One's about a month in arrears. Agree? (6). 7 Certain machines can come together (7). 8 Notice fair intended one to go for change? (10). 9 Relative healthy in Scotland (10). 10 Taunt the stupid person (4). 11 Shaky pro with cue to regain lead? (8). 12 Was topless trying to move dangerous fish (8). 13 Tooth could be the little devil having taken part (8). 14 Loud flash - very colourful (8). 15 Late hour for team to hit back when middle goes (8). 16 Worker returns in headgear to get a snooze (8). 17 Loudly criticise the pub's destruction (7). 18 Plan for pure tin scrapped after pound goes up (8). 19 Freight row takes part in a falling behind (8). 20 One half of puzzle is rather dry (4). 21 Give up a bid to provide food endlessly (8).

Table listing unit trusts under the heading 'Authorised Unit Trusts', including names like Abbey Unit Trust, Abbey Unit Trust, etc.

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FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information for various companies including Abbey Life Assurance Co Ltd, Alliance Assurance Co Ltd, and others. Columns include company name, address, and a list of unit trusts with their respective values and performance metrics.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts such as British National Financial Services, British National Life Assurance Co Ltd, and others, including their addresses and details.

INSURANCES

Table listing insurance services provided by various companies, including details on policies and coverage.

FT UNIT TRUST INFORMATION SERVICE

Company Name	Code	Current Price	Change	Previous Price
Prudential Life & Pension Ltd	01-29-1451	100.00	0.00	100.00
Regency Life Assurance Co Ltd	01-29-1452	100.00	0.00	100.00
Royal Liver Assurance (Life & Pension)	01-29-1453	100.00	0.00	100.00
Scandia Life Assurance Co Ltd - Cont.	01-29-1454	100.00	0.00	100.00
Target Life Assurance Co Ltd - Cont.	01-29-1455	100.00	0.00	100.00
Marsh Financial Management Ltd	01-29-1456	100.00	0.00	100.00
Franklin Templeton Fund Mgmt Ltd	01-29-1457	100.00	0.00	100.00
Thornley Investment Management Ltd	01-29-1458	100.00	0.00	100.00
Thornley Investment Management (Overseas) Limited	01-29-1459	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1460	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1461	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1462	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1463	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1464	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1465	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1466	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1467	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1468	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1469	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1470	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1471	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1472	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1473	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1474	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1475	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1476	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1477	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1478	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1479	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1480	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1481	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1482	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1483	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1484	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1485	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1486	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1487	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1488	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1489	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1490	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1491	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1492	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1493	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1494	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1495	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1496	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1497	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1498	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1499	100.00	0.00	100.00
Franklin International (Overseas) Ltd	01-29-1500	100.00	0.00	100.00

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Handwritten note: كذا صدقته

Table of FT Unit Trust Information Service. Columns include fund names, dates, and performance metrics. Sub-sections include 'OTHER OFFSHORE FUNDS' and 'UNIT TRUST INFORMATION SERVICE'.

Table of LONDON SHARE SERVICE. Columns include fund names, prices, and yields. Sub-sections include 'BRITISH FUNDS', 'BRITISH FUNDS - Contd', and 'FOREIGN BONDS & RAILS'.

Table of Money Market Trust Funds and Money Market Bank Accounts. Columns include fund names, prices, and yields. Sub-sections include 'Money Market Trust Funds' and 'Money Market Bank Accounts'.

Footnote text: THESE rates are for the standard term deposits... and are subject to change without notice.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, and P/E ratio.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and P/E ratio.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for Stock, Price, and P/E ratio.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, and P/E ratio.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and P/E ratio.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and P/E ratio.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and P/E ratio.

DRAPERY AND STORES

Table listing drapery and store companies with columns for Stock, Price, and P/E ratio.

ENGINEERING

Table listing engineering companies with columns for Stock, Price, and P/E ratio.

DRAPERY AND STORES - Contd

Table listing drapery and store companies with columns for Stock, Price, and P/E ratio.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and P/E ratio.

ENGINEERING - Contd

Table listing engineering companies with columns for Stock, Price, and P/E ratio.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies with columns for Stock, Price, and P/E ratio.

HOTELS AND CATERERS

Table listing hotel and catering companies with columns for Stock, Price, and P/E ratio.

INDUSTRIALS (Misc.)

Table listing various industrial companies with columns for Stock, Price, and P/E ratio.

ENGINEERING - Contd

Table listing engineering companies with columns for Stock, Price, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies with columns for Stock, Price, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies with columns for Stock, Price, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies with columns for Stock, Price, and P/E ratio.

INSURANCES

Table listing insurance companies with columns for Stock, Price, and P/E ratio.

LEISURE

Table listing leisure companies with columns for Stock, Price, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies with columns for Stock, Price, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies with columns for Stock, Price, and P/E ratio.

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INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies with columns for Stock, Price, and P/E ratio.

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LONDON SHARE SERVICE

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LEISURE - Contd. Table listing various leisure companies and their share prices.

PAPER, PRINTING, ADVERTISING - Contd. Table listing companies in the paper, printing, and advertising sectors.

TEXTILES - Contd. Table listing various textile companies and their share prices.

TRUSTS, FINANCE, LAND - Contd. Table listing companies in the trusts, finance, and land sectors.

OIL AND GAS - Contd. Table listing companies in the oil and gas sectors.

MINES - Contd. Table listing various mining companies and their share prices.

MOTORS, AIRCRAFT TRADES. Table listing companies in the motor and aircraft trades sectors.

PROPERTY. Table listing various property-related companies and their share prices.

TOBACCO. Table listing tobacco companies and their share prices.

TRUSTS, FINANCE, LAND. Table listing companies in the trusts, finance, and land sectors.

OVERSEAS TRADERS. Table listing companies that trade overseas.

PLANTATIONS. Table listing companies in the plantation sector.

Commercial Vehicles. Table listing companies in the commercial vehicles sector.

COMPONENTS. Table listing companies in the components sector.

Garages and Distributors. Table listing companies in the garage and distributor sectors.

Finance, Land, etc. Table listing companies in finance, land, and other sectors.

MINES. Table listing various mining companies and their share prices.

THIRD MARKET. Table listing companies in the third market.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publishing companies.

PAPER, PRINTING, ADVERTISING. Table listing companies in the paper, printing, and advertising sectors.

SHIPPING. Table listing companies in the shipping sector.

SHOES AND LEATHER. Table listing companies in the shoes and leather sectors.

SOUTH AFRICANS. Table listing companies from South Africa.

TEXTILES. Table listing various textile companies and their share prices.

REGIONAL & IRISH STOCKS. A collection of regional and Irish stocks, including traditional options and a list of oil stocks.

WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, France, Germany, Netherlands, and Sweden. Columns include country, date, and various stock indices.

CANADA

Table of stock market data for Canada, including Toronto 3pm Prices June 6 and a list of various Canadian stocks with their prices and changes.

Table of stock market data for Japan, including various Japanese stock indices and a list of individual stocks.

OVER-THE-COUNTER

Table of over-the-counter stock market data, including Nasdaq national market 3pm Prices June 6 and a list of various OTC stocks.

INDICES

Table of stock market indices for New York, Dow Jones, and other regional indices, showing values and percentage changes.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table of price changes for various commodities and currencies in London, including gold, oil, and various metals.

CANADA

Table of stock market data for Canada, including Toronto and Montreal stock indices.

NEW YORK ACTIVE STOCKS

Table of active stock market data for New York, listing various stocks and their trading activity.

Small text at the bottom of the page providing additional market information and disclaimers.

Large advertisement for 'Have your F.T. hand delivered in Germany' featuring the Financial Times logo and contact information for Frankfurt.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Closing Prices June 6

Main table of stock prices with columns for 12 Month High, Low, Stock, Div. Yld., P/E, 52 Week High, Low, Close, and Change. Includes a small inset image of a person in the bottom left corner.

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for High, Low, and Change. Includes sub-sections for 'Continued from previous page' and 'Over-the-Counter'.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for High, Low, and Change.

OVER-THE-COUNTER

Table of Over-the-Counter prices listing various stocks with columns for High, Low, and Change.

Advertisement for Financial Times: 'Have your F.T. hand delivered in France'. Includes text about business centres and a '12 FREE ISSUES' offer.

Advertisement for Financial Times: 'Have your F.T. hand delivered in Switzerland'. Includes text about business centres and a '12 FREE ISSUES' offer.

